THE FINANCIAL POST OF CANADA

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THE MONETARY SITUATION

AN ANALYSIS OF THE CAUSES LEADING TO THE CRISIS.

A Leading Political Economist on the Subject—The Key to the Situation is in the U.S.—Survey of the Influences There—A Review of the Monetary Position in European Centres.

(The Financial Post has been fortunate in securing the following article from Mr. James Mavor, Professor of Political Economy in Toronto University. He entitles his article "An Essay towards an Analysis of the Monetary Situation.")

The monetary situation since the beginning of March has been so intricate that the usual commonplaces of the stock market reports have given place to mere expressions of bewilderment. While much remains to be explained, there are certain outstanding influences which have for some time been making for dear money and these may perhaps usefully be reviewed. While the crisis as it may fairly be called, has been an international one, the key of the situation is probably to be found in the United States where there are some permanent and some temporary influences making for sensitiveness in the equilibrium of the money market. This chronic sensitiveness renders the market susceptible to violent movements in response to causes that seem of themselves hardly adequate to produce the observed results. Among influences which make for sensitiveness in the equilibrium are the following:

(a) The inelasticity of the currency system in the United States.

(b) The inadequacy of the specie reserves held by the banks at the principal monetary centres and especially in New York.

(c) The practice of locking up in the United States Treasury large sums paid in customs duties, etc., instead of depositing these at once in the banks from which they have been withdrawn.

The following were the amounts so locked up on the first of each month since the beginning of the year 1907:

January 1	$343,836,223
February 1	336,518,202
March 1	357,114,829

The new Aldrich Law may probably change this state of matters materially, although everything depends upon the working of the proposed system under which the banks will accept deposits in exchange for United States bonds and "otherwise."

The practice of making huge withdrawals on treasury account from the banks in a more or less capricious fashion has hitherto been one of the most serious elements in the situation. One effect is to place an enormous power over the money market and through it over industry and commerce, in the hands of the executive Government—a power not always wisely exercised. The inducement to employ it to smash a political opponent without regard to the consequences which may fall upon others may on occasion be too powerful to resist.

(d) The rule of daily settlements on the New York Stock Exchange. The fortnightly settlement in London has great advantages in affording time to arrange for carrying over and thus to avoid the payment of excessive rates for money for day to day loans. In addition to these influences which may be described as chronic, and which tend to produce a delicate state of equilibrium, other influences may be classified which have made during the past four or five years with cumulative effect for increased demand for money.

(a) Internal commercial and industrial development and consequent withdrawal (permanently) of money from the eastern monetary centres, viz., New York and Boston to Chicago and the West. The violence of the fluctuations in the money market in New York has greatly increased the inducement to western bankers to refrain from depending upon New York and to accumulate their own reserves.

(b) Reduced wheat expoets (especially in 1904) and consequent diminution in remittances from abroad.

(c) Speculation in stocks by an increasing number of persons owing to the enormous development of the practice of speculating on margins producing an increasing demand for "call money." The profitable character of this business has drawn into it not only the banks, but financial institutions of all kinds.

The following influences of the same order have been especially active during 1906:

(a) Extensive borrowings for railway construction, due to the increased movement of goods. Many of these borrowings have been of a temporary character and they have thus taken up great quantities of funds available for temporary use. The greater profit to be derived from such transactions has attracted into this kind of business capital which under other circumstances would have been invested in permanent securities. The scarcity in capital available for permanent investment produced by this among other causes rendered the terms upon which it could be obtained relatively high and thus drove the railway companies into the market for short-dated loans.

(b) Similar borrowings of magnitude for industrial enterprises.

(c) Great increase of "finance notes" drawn by bankers upon each other in consequence of these temporary borrowings. The profitable character of the business led the banks to increase their commitments under this head to an unprecedented extent. By this means credits of great magnitude were created in Europe, exchange was demoralized and heavy shipments of gold were necessary to restore the equilibrium.

(d) Realization of stocks held by insurance companies. This realization was caused by the recent disclosures and the effect of these upon the insuring public.

Influences Especially Affecting Railways.

(a) The attack of the State Legislatures upon the railways on the ground that freights and passenger rates were too high and that these must be compulsorily diminished. Some 300 bills have been introduced into the State Legislatures on this subject.

(b) The likelihood of the Republican administration undertaking an intensified form of legislative control over railways.

(c) The blocking of the railway lines in the West, owing to the severity of the winter and the consequent falling off in the traffic returns of the railways, coupled with the uncertainty of the amount of traffic so delayed, which might remain to increase the earnings of the railways during the spring and summer.

(d) The previous sudden and considerable increase in the prices of certain railway stocks, due partly to increased freight returns, partly to the theory that the railways had been expending an undue proportion of their revenue in "betterments," and partly to optimistic anticipations of greatly increased traffic.

(e) The disclosures of the Harriman investigation and fear of legislative or executive action against all railways.

(f) The increased working expenses, due partly to enhanced wages and to higher prices of materials.

(g) The heavy issues of new capital (in temporary or in permanent forms) for some of the leading railways, and the anticipation of further heavy issues for extensions.

(h) The increase in the number and volume of mining and industrial stocks, which attracted the speculator and the investor, and diverted his attention from railways, these securities offering, though not always realizing, larger returns.

These influences acting in a cumulative fashion produced a state of tension, in which prices, inflated by anticipations of further industrial prosperity, came to exhibit symptoms of over-anticipation, and a natural reaction was inevitable. This reaction was probably postponed by the relative slowness of the action of some of the influences described, but ultimately it came. The immediate cause of the reaction was undoubtedly the situation which had been gradually maturing in Europe, influenced very seriously by the situation in the United States, but possessing features peculiar to the finance of the leading countries.

1. The English Situation.

The following influences were making dear money during the past four or five years:

(a) The effects of the South African war.

(1) In absorbing large sums from the ready money market for Government account.

(2) High taxation impelling holders of high class securities to realize upon these and to put their funds in securities yielding a higher rate of interest. This applied not merely to domestic holders of such securities but also to foreign holders. In consequence of the increase of the income tax considerable holdings of consols held on foreign account were thrown upon the market in London.

3. The stoppage for the time of the gold supplies from the Transvaal.

4. The saturation of the market for permanent securities by large Government issues in the teeth of a market otherwise perturbed and falling.

While these causes may be directly or indirectly traceable to the South African war, the special reasons for the fall in the price of consols may be thus classified.

1. The mere increase in the quantity of the stock.

2. The diminution (relatively to the volume of business) of the use of consols for banking purposes, due in the first instance to the greater activity of trade and to the employment of bankers' funds in commercial discounts; and afterwards to the further diminution of the use of consols in consequence of the continued fall and the fear of loss resulting from possible further depreciation. Even conservative houses which kept a large part of their funds in consols lost heavily by the fall.

3. The coincidence of the reduction in the rate of interest on consols from 2¾ per cent. to 2½ per cent. and the new issues of consols, together with the issue of large blocks of

(a) Japanese securities bearing a high rate of interest. (6 per cent. to 6½ per cent.)

(b) London County and other municipal stocks; (3) Colonial securities also at a high rate relatively to consols.

In addition to the above mentioned causes the following may be held to have been operative, especially during the past year:

(a) The frequency with which public authorities came upon the ready money market for temporary loans.

(b) The want of dexterity and ignorance of the market conditions frequently exposed by the functionaries of the local and sometimes also of colonial authorities in effecting their financial arrangements without regard to the state of the market.

Of more general causes the following have been influential in or upon the English money market.

(a) The increase of internal and external trade together with increase of prices, resulting in increased demand for money for financing production and distribution and increase of the amount of gold required for circulation.

(b) The diminution both relatively to the volume of trade and absolutely of the gold reserves of the Bank of England.

(c) The absence of elasticity in the English currency system and the strong prejudice in favor of gold payments. It cannot be denied however, that this prejudice has its great advantages. Equilibrium is more difficult to disturb and when it is disturbed it is more easily re-established than is the case under other systems.

(d) The extent to which English financial houses have been facilitating speculation abroad, especially in the United States, by taking up "finance notes" to large amounts and the saturation of the market with them.

(e) The demand through London of gold for Egypt in consequence of the recent advance in the price of cotton and the enormous advance in the price of land. These causes have brought a new factor of some magnitude into the gold market.

The German Situation.

The following influences appear to have been making for dear money during the past four or five years:

(a) Development of industry in Germany, due largely to the rapid increase in the population. It would appear that the demand for money for industrial enterprises and for speculation on the Bourses has been greater than the supply afforded by the savings out of the relatively small profits made in German domestic and European trade.

(b) Large investments abroad owing to the greater profit upon such investments and also speculation in foreign securities. Russia has been an extensive borrower from Germany.

(1) For industrial purposes, enabling the Russian Government to purchase the shares of industrial concerns to a very large amount.

(2) For financial purposes, to accumulate a stock of gold as support to her paper currency.

(3) For military purposes.

When the strain became acute, the German speculators were obliged to let many of their foreign holdings go at the panic prices. Hence to a large extent, the fall in C.P.R. The Germans have always been unfortunate in this stock.

The French Situation.

The immense stability of the French money market as compared with all the other great money markets of the world is due to the immense annual surplus which the thrifty French peasant can be counted upon to place in the banks for investment. This surplus, which may be held to amount to $100,000,000 a year, has a powerful balancing effect. The stability of the French market is due (2) to the unique position of the Bank of France, to the skill with which it is managed, and to the possession by it of an immense stock of gold. This gold is expensive to carry, but on occasion its possession gives an enormous power. The practice of placing a premium upon gold is frequently resorted to by the bank. It prefers to impose this premium rather than to hamper internal trade by the device of raising the discount rate. Unlike the discount rate of the Bank of England, which sometimes varies widely from the market rate, the rate of the Bank of France is the market rate. Only under extreme pressure is the rate ever changed; the advance of the rate from the traditional 3 per cent. to 3½ per cent. intensified the situation last week to some extent, although it was probably devised to check discounting of English commercial bills in France and thus to prevent depletion of the resources of the bank at a critical moment.

A General Similarity.

The conditions described exhibit a considerable similarity in the different countries. Greatly increased trade, increased demand for money for railway and for other purposes connected with expanding trade, together with speculation ensuing upon this condition, would alone be sufficient to produce a sensitive money market. When in a market already predisposed to sensitiveness there exists simultaneously long standing unliquidated liabilities which have been carried over with comparative ease during a period of cheap money, there is apt to be a sharp increase in the price of money at every juncture at which this increase is possible. These unliquidated liabilities have consisted in the remainder of the finance notes that have been carried over from the period of the great flotations and which in the absence of profits or profits to the anticipated extent have prevented the drawers from fully liquidating.

In monetary movements thare are always unseen causes; but there seems no reason for attributing undue importance to the Harriman incident or to Mr. Roosevelt's attitude towards the railways. Market conditions are really the result of the equilibrium of forces which are practically world-wide in their action; and individual contributions to perturbation are after all not important when compared with the large factors.

The Net Conclusion.

The net conclusion may be put provisionally in this way: Dear money has been due to the inadequacy of the monetary reserves in the great centres to meet the strain upon them caused by increased industrial activity and by the greatly enhanced values of the past few years.

Every advance in important stocks and every advance in prices of important commodities imposed additional weight upon the banking system of all countries. The prevailing prosperity was accompanied by a very general increase in the standard of comfort and in the cost of living. Saving, though still considerable, was nevertheless inadequate to provide the funds necessary to move the increasing mass of commodities.

Even the resumption of the production of gold by the Transvaal was inadequate and the effect of it was probably overestimated. For a time the expedient of "finance bills" enabled the banks to cope with the situation, while industrial concerns, hoping that the monetary stringency was only temporary, raised capital required for permanent purposes not in the market for such capital; but in the ready money market. The cooperation of the banking centres had been strained to the utmost to provide the funds for the great flotations; and the strain of the three years 1901, 1902 and 1903 had scarcely relaxed. The profits resulting from consolidations like the United Steel Corporation, for instance, were not so great as was anticipated, while simultaneously expenses increased—private as well as governmental. Reserves showed no signs of material recuperation. The supplies of gold, though largely in excess of the preceding five years, seemed nevertheless to be inadequate to meet the demand for banking purposes. In brief, the expansion of industry and the enlarged requirements of Governments together created a situation in which the economic equilibrium was imperilled. Upon this sensitive system there supervened causes which might under other circumstances have been regarded as trivial—and the panic of last week was the result.

The acute stage of the present crisis is apparently over; but it may be that the slightest sign of cheapening money will bring out demand for funds from railway and other companies who have been held back from applying for them merely by the state of the market. This would prolong the period of recovery to a staple condition.

JAMES MAVOR.

DEALING IN OPTIONS.

Some New Suggestions Along a Line That Appeals in Present Conditions.

The London correspondents of Messrs. Wyatt & Co., stock brokers, Toronto, have written a very interesting letter on option dealing. As the communication was written before the extreme declines of March 13 and 14, it becomes all the more informing because its reasoning has been further justified by the course of the market. The London firm says:

"The skilfully prepared bear-raid which has been made on the American market and the subsequent collapse of prices has again proved the advisability of dealing in options.

"An option may look very dear at first sight, but it is not, considering the great advantage one derives from it in safeguarding positions.

"It is always advisable for a client to give for the "put' of stock he is long after a good rise in the market. By doing so the profit is secured, but he still has the stock. Should the market improve further, he can still sell whenever he choses.

"In the meantime should there be a slump after he has sold, he has a great chance of making a handsome profit as a bear without the slightest risk.

"Supposing, therefore, that one has bought Union Pacifics at 185 and had later given for the put of same at 190 and sold his stock at 192, he would have been a bear at 190 and could have closed this bear account recently with a splendid profit.

"On the other hand, we always consider it wise for a bear to give for a call after a sharp slump.

"Supposing one had sold Canadian Pacifics at 190 and given for the call at 180, closed his bear at 179, he would still be a bull at 180 without any risk whatsoever.

"We ourselves consider the present state of the American market more than ever fit for dealing in options in order to protect one's own risk and that of one's client. Bearing in mind the heavy drop we have seen in Union Pacific and Canadian Pacific and admitting the great chances of the market recovering before long we would advise either to give for the "call" of these shares or to give for the "put" and buy all the stock or the greater part of it against this option. In buying a "put" one is always allowed a certain percentage of interest during the option period and therefore can "put" the stock at a higher price than that ruling in the market.

"Should the market have undergone a considerable change for the better when this letter reaches you, you might consider whether it would not be wise to give for the "put" of stock your clients have bought at much lower prices."

DOMINION STEEL.

The great suit of the Steel vs. Coal Company shows its head occasionally. It has not yet got past the filing of the pleadings. The Steel Company wished to amend its statement of claim, and were granted leave to do so by the single judge. The Supreme Court of the Province is now hearing an appeal from that decision. This is an instance at the outset of the suit indicating the length of time the case can consume in the courts. A Montreal brokerage firm says Dominion Steel, preferred, at 49 with 28 per cent. of accrued dividends overdue is cheap if anyone believes in the future of the steel industry.

Mr. E. S. Clouston, general manager of the Bank of Montreal, has returned from his visit abroad.

MONTREAL VIEWPOINT

WILL C. P. R. REACH THE U. S. LEVEL?

The Writer Believes it Must if Other Stocks Continue at Present Prices—The Weakness of Montreal Street—The Situation in Detroit United.

The most prolific topic of conversation in Montreal at present is Canadian Pacific stock. On every side one hears the query; Has "Canadian" started downward towards the range of prices already established for the great American railroad stocks, or will it regain its ground and continue to live in a world of its own?

It is certainly possible to throw light on the issue involved by treating it calmly and dispassionately. Of course it is true the boundary line between the two countries protects C.P.R. from the domineering, irritating and probably costly legislation that is now being enacted in many of the United States of America, for the purpose of checking the plans of aggrandisement on the part of some of the railways, as well as to compel a division of a proportion of profits with the people. Yet it must not be forgotten that, within the week, the Canadian Railway Commission has decreed that the railways must not charge more than three cents per mile for passengers over all distances, and the companies have submitted, and will, of course, submit to any further regulations within the power of the commission.

It may be taken for granted that in future, when such conditions arise in Canada as in the past have arisen in the United States and rendered their railway regulations reasonable and necessary, there will be similar enactments in this country, as for instance, uniform passenger rates of two cents per mile. While there is certainly a temporary difference in the conditions surrounding railways in Canada and in the United States, these should disappear and leave only the question of intrinsic value and earning power.

The fact that C.P.R., after retaining its price in a phenomenal manner through the great panic, should have suddenly experienced a tremendous break of nearly fifteen points below the lowest price touched in a period of over six months, is a warning that no stock is above and free from common market impulses and interests. While the great prospects of this railway for the present year will, of course, do wonders towards sustaining the price, it cannot be doubted for a moment that the stock must gradually drop to a lower level, if the prices of standard American railway stocks continue for any length of time in their present condition.

As a rule, severe declines in the local markets run with considerable uniformity through the entire list of active stocks. Some important variations from this rule, however, are now evident and it seems possible to lay hands upon specific reasons for the result in each case.

Montreal Street Railway, which for so many years has been regarded as the standard investment stock of Lower Canada, and of which it has often been said that there cannot be more than 10 per cent. or 15 per cent. held for speculative purposes, has developed an excessive weakness with little or no rallying power, and on remarkably small sales. As the earnings of the road are now increasing at the rate of $1,300 per day, and it is otherwise in a most flourishing condition, its weak tone cannot be ascribed to unfavorable news. Just as in the case of the high-priced American stocks, such as Great Northern and Delaware and Hudson, the strained money market had the most immediate effect upon the only stock in Canada selling over 200. The severity of the decline to 202 will be best appreciated by recalling the fact that the lowest price for this stock in the past five years has been 195.

Another noteworthy change took place in Detroit Street Railway, which on large sales fell off to 65, a seemingly absurd price for a 5 per cent. traction stock. A glance at its market history for the past year recalls the fact that, about a year ago, a large Canadian and American syndicate, controlling about 15,000 shares, sold out to a New York crowd at a price just below par. The times were against the new purchasers and during the past few months, Canada has been called upon to take back this stock at a tremendous recession. Perhaps this further demand on the banks is a factor in the weakness in other parts of the local market.

Dominion Steel, common, has in previous market breaks been most prominent in the after-rallies, but such has not been the case on the present occasion. There has been considerable guessing as to the reason for the steady stream of liquidation, and no satisfactory solution of the problem has yet been found.

The original idea was to erect a branch on this property, but a little while ago another site was decided upon on the same street, next to the Bank of Toronto branch.

TWIN CITY.

A Toronto house which does a large general business in New York stocks says that the investment demand for Twin City during the past two weeks has been very strong. There is an underlying confidence in the merits of this traction which expresses itself whenever the market price reaches attractive figures. The promised increase in dividend is not likely to take place until the legislative atmosphere in Minnesota is fully cleared. At present in the U. S. no common carrier dares to think of augmenting its dividend return in the face of the popular discontent.

THE SECURITY REVIEW

ONE BANK INCREASES ITS DIVIDEND.

Another Raises Its Rate—A Week That Opened Gloomily But Ended More Brightly.

One Canadian bank increased its dividend rate this week from 10 to 11 per cent. Another bank raised the rate on call loans from 6 to 7 per cent. The action of the Imperial Bank directors in increasing the dividend shows confidence in immediate future. The advance in the call loan rate emphasizes the continued scarcity of money. Rates on commercial loans are in many cases being advanced by the banks. How long the money stringency will, by gradual attrition, wear down the efforts of expansion and utimately produce reaction is difficult to determine.

The stock markets at the beginning of the week reached the lowest level of this surprising year. Following up the troubles of Saturday in Berlin and London, the Wall Street prices were in a large number of instances, well below the panic level of March 14. On Tuesday one of those lightning changes for which the typical market is noted, occurred and prices appreciated again very quickly so that as the end of the week approaches prices are approaching the figures of last Friday again.

Canadian Pacific, which looked like fulfilling all the beliefs of its critics when it fell off to 155, showed its recuperating force in a remarkable manner and finished twelve points higher. Its ability to remain on a higher level than U. S. stocks of similar standard quality is still a matter of comment. It looks as if there was some force in one or more of the "twelve reasons" why C.P.R. remains on a higher plane.

The increase in dividend in the Imperial Bank rate bears out what has been stated in these columns on the fundamental value of good Canadian bank stocks. The Imperial is one of the institutions which has made great strides in ten years' time and the result of an investment in its stock ten years ago with the purchase of the new shares as issued is quite remarkable and proves that there are just as good prizes in legitimate, sound securities as in mining stocks.

The annual meetings of the Canadian General Electric, Canadian Westinghouse and Canada Northwest Land Companies were held this week. The proceedings were largely of the usual formal character except that the shareholders of Canadian General Electric were given the opportunity of inspecting the plant of the Canada Foundry Company at Davenport. To many who had not seen it, it was almost a revelation and they were still more impressed with the idea that the company owned a yet larger plant at Peterboro. The financial needs occasioned by such rapid development as has occurred in this instance are apparently the one fly in the ointment.

In the New York market there has been more dealing on the part of the regular operators than was at first supposed. One large wire house in Toronto say that their business has been larger during the past three weeks even than in 1901 and that the panic days not by reason of liquidation, but because of speculation for the decline have caused as many transactions on the bear side as occurred on the other line in the bull years. In New York itself there has undoubtedly been furious bear selling, chiefly proceding from three or four commission houses, which causes one reliable Wall Street writer to say: "This attack upon the market has resulted in a great amount of genuine liquidation of stocks, but it remains to be seen whether further operations of the sort at the ridiculous low level of prices for the stocks of the great railway corporations of the country that now prevails will be attended with success."

Bell Telephone.

The intrinsic merit of the stock compared to its very low price of the past week caused a quick recovery and after closing last Friday at 126 it sold yesterday over 130, while the rights which in these times are attractive on account of their easier financing appreciated over six.

American Telegraph and Telephone Company's business as reflected in its annual statement issued last week shows tremendous expansion and a most healthy condition. The conditions in the Dominion for more economic operation should hold out a better prospect for the Bell Telephone Company of Canada.

Soo.

Soo common shows some sign of life after its going into decline. On panic days there is sometimes trouble in selling it at any respectable price on account of the narrowness of the market. The earnings for the third week in March show an increase of $11,741 over the corresponding week last year. Now that the lines should be all open, the traffic returns are disappointing.

(Continued on page 6.)

BANK OF MONTREAL

(ESTABLISHED 1817)

Capital (all paid up), $14,400,000.00. Rest, $11,000,000.00. Undivided Profits, $159,831.84

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Province of Nova Scotia—Amherst; Bridgewater; Canso; Glace Bay; Halifax; Halifax, North End; Lunenburg; Mahone Bay; Port Hood; Sydney; Wolfville; Yarmouth.

Northwest Provinces—Altona, Man.; Brandon, Man.; Calgary, Alta.; Edmonton, Alta.; Indian Head, Sask.; Lethbridge, Alta.; Oakville, Man.; Portage la Prairie, Man.; Raymond, Alta.; Regina, Sask.; Rosenfeld, Man.; Saskatoon, Sask.; Winnipeg, Man.; Winnipeg, Fort Rouge; Winnipeg, Logan Avenue.

Province of British Columbia—Armstrong, Enderby, Greenwood, Kelowna, Nelson, New Denver, New Westminster, Nicola, Rossland, Sumerland, Vancouver, Vernon, Victoria.

IN NEWFOUNDLAND: ST. JOHN'S, Bank of Montreal. BIRCHY COVE, Bay of Islands, Bank of Montreal.

IN GREAT BRITAIN: LONDON, Bank of Montreal, 46-47 Threadneedle Street, E.C. (F. W. Taylor, Manager.)

IN THE UNITED STATES: NEW YORK (R. Y. Hebden, W. A. Bog, J. T. Molineau, Agents), 3 Pine Street. CHICAGO, Bank of Montreal (J. M. Greata, Manager). SPOKANE, Wash., Bank of Montreal.

IN MEXICO: MEXICO, D.F. (T. S. C. Saunders, Manager.)

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LONDON, The Bank of England.
" The Union of London and Smith's Bank, Ltd.
" The London and Westminster Bank, Ltd.
" The National Provincial Bank of Eng, Ltd.
LIVERPOOL, The Bank of Liverpool, Ltd.
SCOTLAND, The British Linen Company Bank, and Branches

BANKERS IN THE UNITED STATES

NEW YORK, The National City Bank.
" The Bank of New York, N.B.A.
" National Bank of Commerce of New York
BOSTON, The Merchants' National Bank.
BOSTON, J. B. Moors & Co.
BUFFALO, The Marine Natl. Bank, Buffalo
SAN FRANCISCO, The First National Bank.
" " The Anglo-Californian Bank, Ltd.

Head Office, Montreal

THE MERCHANTS BANK OF CANADA

ESTABLISHED 1864

Capital Paid-up - -	$6,000,000
Reserved Fund and Undivided Profits	3,674,596
Total Assets - -	53,000,000

118 Branches and Agencies in Ontario Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia.

A General Banking Business Transacted.
Special attention given to collections

SAVINGS BANK DEPARTMENT
AT ALL BRANCHES.

THE METROPOLITAN BANK

Capital Paid up - - - - - -	$1,000,000.00
Reserve Fund and Undivided Profits -	$1,183,713.23

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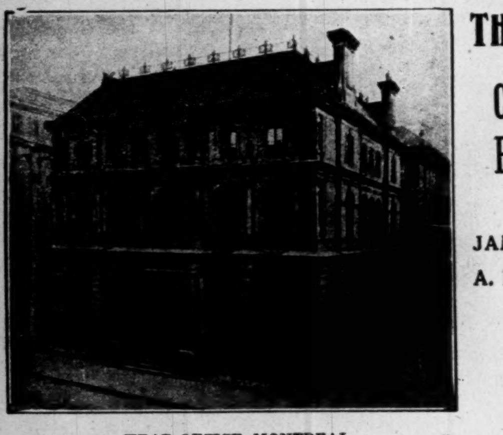

HEAD OFFICE, MONTREAL

THE MOLSONS BANK

Capital paid up, $3,000,000
Reserve Fund, - 3,000,000

JAMES ELLIOT - General Manager
A. D. DURNFORD - Chief Inspector

60 BRANCHES THROUGHOUT CANADA

BANQUE D'HOCHELAGA

Capital Authorized, $4,000,000

Capital paid up, $2,000 000 - Reserve Fund, $1,600,000

DIRECTORS:

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A PLEA FOR A TRUER PATRIOTISM

XII.

In these days of industrial activity in Canada—unparalleled in her history—a complaint which comes from all parts of the country is the need of capital to institute and develop growing industries. We frequently hear the remark made concerning our great resources, and all the possibilities of our commerce, what great businesses could be created if only the necessary funds were forthcoming. From what quarter then is aid to be expected, what is to be the source of the country's assistance in the day of need? An answer to this question which at once suggests itself takes the form of a question: What are the people doing to help themselves? It is an old story of Hercules, when his cart stuck in the mud, dropping on his knees and praying to the gods for help. The answer Hercules received, to put his shoulder to the wheel and become his own helper, applies with some force to us who are living under the present financial conditions. True it is that Canada is attracting a larger share of foreign capital, and her credit stands higher to-day than at any previous time in her history; true it is that our business men are putting all the funds they can secure into their businesses, yet it is worth while considering whether the people who are not in business on their own account, have faith in the country as a business proposition. They could show this by investing their savings in home industries and thus pursuing a policy of self-help. Outside capital can go a long way in developing a country, but self-help must lie at the base of all sound progress and steady honest development. Everybody is anxious for the welfare of the Dominion and is willing to help on her progress, yet all the anxiety and willingness could take much more practical form than it has taken, if the majority of the people could be induced to place their savings, or "the trimmings" as they might well be styled, in the saving banks. One of the functions of a bank is to act as depositary for the money of the people of which they do not stand in present need. Interest is paid on these deposits, the bank being in a position to do this on account of its having in turn invested the collected amount of many small sums deposited with it, in the industrial concerns, large and small, all over the country which go to make up its commercial life. But during the past year, all the Canadian banks have been forced to turn a deaf ear to requests for loans to aid in the instituting and developing of quite sound commercial undertakings, on account of the lack of funds. Many fair propositions which would have resulted in the creation of new industries, in the growth of the adjacent towns or villages, in the increase of population, and the consequent increase of our material wealth as a people had the necessary funds been available, have been rejected by our banks, because the people have not taken advantage of the savings banks as they might and should have taken advantage of them. Thus it is evident that we have not been all-round patriots when we recognise that our patriotism has something to do with our saving habits. Thousands of people all over the country who receive less than, say, twenty-five dollars per week, and who constitute the bulk of our population, could do a great deal to build up Canada if only they cultivated this art of saving, and made themselves familiar with the inside of the savings bank. The banks are doing all that human brains can devise to popularize their savings bank departments and to facilitate the depositing of money, and are thus encouraging habits of thrift and economy on the part of the public. Comparatively few single depositors out of the many thousands scattered all over the country could make large investments on their own account, but the bank being in receipt of many of the small sums, comparatively speaking, generally on deposit for some length of time, is in a position to lend on a large scale; and of course it is of first importance and is the business of every bank to see that all their loans are well secured. Further security to depositors is also being afforded, as a system of bank inspection by independent auditors has recently been adopted by one of the Canadian chartered banks, and will become general before very long. Thus in another phase we see the truth of the old adage "Union is strength," in the strength for the establishing of industries of the country in the union of the money put into the savings banks. The greater the advantage taken of the savings banks by the people in the days to come, the greater will be the growth of the country. It would be interesting to know just how much of the "saveable proportion" of the incomes of the citizens of this country is brought to the savings bank, for the proportion squandered in trifles must be very great. We are at present living in days of prosperity, our barns are full and our winepresses literally overflowing, our wealth has increased to a large extent, yet with all this increase, there are evidences on every hand of extreme prodigality in the matter of personal expenditure on the part of the people. Extravagance and waste are rapidly becoming national habits, and if we are to stand firm when a cold wave strikes, for we must look for these "cold waves" or times of commercial depression in our national life, a halt must be called now. If no halt is called, thousands will have ruin staring them in the face, but if the halt is called and people take advantage of saving afforded them by the banks, they will create the spirit of independence and become trurer patriots because they have had a share in developing the trade of Canada.

J. COWAN.

MARITIME MOVEMENTS.

A Power Project to Utilize the Fundy Tides—Telephone Legislation.

Moncton, March 25, 1907.

Thinking you would not object to allowing a little more of your space to Maritime Province matters, I may say that since writing you last there has been very little stir in financial circles—and the prospect that the battle royal between the coal and steel magnates at Sydney may terminate in an harmonious manner has caused a feeling of relief—and it is now hoped the works there both coal and steel, will flourish and prosper and pay handsome dividends in future, as they should do, if properly and conservatively managed.

The Chimney Corner Mines.

The latest reliable advices from London and at home go to show that the new coal and railway deal that has been some two or three years reaching a culminating point, is apparently in a position to assume business shape at no late day. This venture is known as the Chimney Corner Mines and owns large and well known coal areas, which once opened will enter into competition with the Inverness Collieries, owned by Mackenzie & Mann. The new company has a charter for the construction of its own railway from Chimney Corner to the I. C. Ry. and thence running powers for a distance over the I.C.R., switching off to its own terminal on the Caribou Cove, thus having an Atlantic seaport outlet. Subsidies have been secured from both the Federal and Local Government of Nova Scotia, and the line will probably be built this coming summer, English contractors, it is stated, having agreed to construct the line. Once built, it will add materially to the industrial wealth of this portion of Nova Scotia, and to the revenues of the province.

English capital is behind the project, Wm. Roche, Esq., M.P. for Halifax, being the most prominently interested Nova Scotian in the deal. This project has been for some time in process of crystallization owing to the extremely slow and, truthfully speaking, over-cautious methods that sometimes mark the formation of large companies in London. It is to be hoped that the matter will now be vigorously proceeded with as it is understood all the financial arrangements have been made. I might remark that the Chimney Corner Mines are located in Inverness County, Cape Breton.

The International Railway.

The Province of New Brunswick is now being asked to guarantee the interest on the bonds of the International Railway, a road now under construction across country from Campbellton to the St. John River and some 110 or 120 miles in length. The guarantee is asked to the extent of $8,000 per mile, the province to be secured by a first lien or mortgage on the enterprise. As the said railway and its contractors have already in the past 8 or 10 years been most liberally aided by both the Federal Government and the Government of New Brunswick, much dissatisfaction is expressed that these contractors should come begging again from the provincial treasury. The grant, however, will no doubt be forced through the Legislature and thus additional burdens will be thrust upon the already overburdened provincial treasury, simply to serve political ends.

Telephone Legislation.

The New Brunswick Telephone Co. is now before the Legislature with a bill to increase its capitalization to the modest (?) sum of $2,000,000 in order to enable it to take over the Central Telephone System, which was started a year or two since as a rival to the N. B. Tel. Co. The various municipalities in the province are watching the bill very closely and Premier Pugsley has evinced a desire to bring on legislation at a later day, so that the province will eventually take over and control all telephone service in future. Meantime, if they will only in granting the company's demands, safeguard the public from being robbed by exorbitant charges for telephone rentals and ordinary daily business tolls, it will be a step in the right direction. The tolls for long distance messages within the limits of the province have been high.

Using the Fundy Tides.

A company has been formed under the laws of the State of Maine with capital of $2,000,000, known as the Cove Hydro-Electric Co., for utilizing the rise and fall of tides in rivers at head of Bay of Fundy in generating power. The first location has been made and plans prepared to operate at Sackville, N.B., where it is stated 7,500 h.p. to 10,000 h.p. can be easily and cheaply generated, thus supplying Sackville, Amherst, Dorchester and Moncton with light and power. Friends of the enterprise are enthusiastic over the scheme, while others are doubtful. If it can be worked so as to give the necessary power through the frozen winter months when these tidal rivers block up almost solid full of ice, then the matter can be easily made a financial success, otherwise it is a doubtful question. No doubt the attempt will be made to test the merits of the scheme fully. Meantime the stock is being vigorously hustled on the Boston market, and at points in Maritime Provinces as well.

PROGRESS.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO ESTABLISHED 1867

B. E. WALKER, President.
ALEX. LAIRD, General Manager,
A. H. IRELAND, Superintendent of Branches

Paid-up Capital,	$10,000,000
Rest, - - - -	5,000,000
Total Assets, -	113,000,000

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M. Morris, Manager
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The Dominion Bank

HEAD OFFICE - TORONTO, ONT.

Capital Paid-up - - - - -	$3,000,000
Reserve Fund and Undivided Profits - - - -	3,928,000
Deposits by the Public - - - -	36,000,000
Total Assets - - - - - -	49,000,000

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THE BANK OF TORONTO

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HEAD OFFICE, TORONTO, ONT.

Capital - -	$4,000,000
Rest - - -	4,500,000
Assets - -	37,000,000

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EFFICIENCY and **SATISFACTORY SERVICE** will be found in every department of our business.

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CHICAGO - - - - First National Bank
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THE BANK OF TORONTO

THE STERLING BANK OF CANADA

Head Office, Toronto

General banking business conducted

Correspondents at financial centres abroad.

F. W. BROUGHALL
General Manager.

THE ROYAL BANK OF CANADA

DIVIDEND NO. 78.

Notice is hereby given that a Dividend of Two and One-Half Per Cent. for the current quarter ending 31st March, being at the rate of Ten Per Cent. per annum, upon the Paid-Up Capital Stock of this Bank, has been declared, and that the same will be payable at the Bank and its Branches on and after TUESDAY, the 2nd day of APRIL NEXT.

The Transfer Books will be closed from the 16th to 31st March, both days inclusive.

By order of the Board,
E. L. PEASE,
General Manager.
Halifax, N.S., February 21st, 1907.

Authorized Capital
$5,000,000

UNITED EMPIRE Bank of Canada

DIRECTORS

Samuel Barker, M.P., Hamilton, President; Mark Bredin, Toronto; T. Willes Chitty, London, Eng.; George A. Clare, M.P., Preston: E. E. A. DuVernet, Toronto; Lt.-Col. F. T. C. DuVernet, London, Eng.; Rev. T. C. Street Macklem, Toronto; Stanley Marling, J. P., Stroud, Eng.; M. McLaughlin, Toronto; Bennett Rosamond, Almonte; William J. Smith, Toronto.

General Manager, GEORGE P. REID

Head Office, TORONTO

LETTERS OF CREDIT
COLLECTIONS NEGOTIATED AND RECEIVED
CORRESPONDENCE INVITED

THE
ROYAL BANK
OF CANADA
INCORPORATED 1869
Capital paid up - - $3,800,000
Reserve Fund - - $4.300,000
Total Assets - - - $43,000,000
HEAD OFFICE - - - - MONTREAL
EDSON L. PEASE, General Manager
Seventy-five Branches in Canada
Eight Agencies in Cuba
St. John's, Newfoundland
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BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS
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Head Office, - - - Toronto
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Royal Securities Corporation, Limited
179 St. James Street, MONTREAL. A. J. NESBITT, Manager

An Exceptional Opportunity for Safe and Profitable Investment

An industrial concern situated in Toronto whose business increased 82% last year and is increasing this year by at least 100% over 1906, requires to double its capital in order to take care of this enormous increase of profitable business, and with this object in view has re-capitalized and now offers one thousand Fifty Dollar shares 8% cumulative participating Preference Stock for sale at par.

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Bank Notes

The Quebec papers say that Judge Chauveau, vice-president, and Mr. N. Lavoie, Inspector of the Banque Nationale, will embark at New York on the 16th inst. for Europe, the object of their trip being to secure more advantageous arrangements with their bankers in London and Paris, and also to enquire into the possibility of opening a branch of the bank in the latter place.

The Bank of Nova Scotia and the Royal Bank will both open offices in Lethbridge shortly.

The Regina Leader says: "Two new banks are shortly to be added to the already long list of banking institutions located in Regina, the Royal Bank of Canada arranging to occupy the ground floor of the new Mackenzie & Brown block on Scarth Street, while the Bank of Nova Scotia has secured quarters in the new King's Hotel building a little further up the street.

An Edmonton dispatch says: "A. C. Fraser, manager of the Merchants Bank of Canada here, returned from a visit to Tofield yesterday where he completed arrangements for the immediate opening of a branch of the bank. The A. J. Walker Lumber Co., of Vegreville, are erecting a building for the purpose, which will be completed in a few days, and a safe for the bank is being hauled across from Vegreville. Mr. R. L. Stidon, of the Winnipeg branch, has been appointed maoager."

The Royal Bank has recently closed a deal in Winnipeg that proved profitable.

About three years ago the bank purchased a piece of property on Main St. Winnipeg, for about $600 a foot, the lot having a frontage of 97 feet.

The other day the bank disposed of the property at the remarkable price of $1,200 a foot.

THE PRODUCTION OF GOLD

THE INCREASE IN 1907 WILL BE MERELY NORMAL.

Figures Showing the Advances in Output—The Scarcity of the Yellow Metal—The Gold Reserves of the Principal Countries—The U.S. Has the Largest Amount.

The chief factor in the present universally clouded situation, getting down to rock bottom, is the production of gold. Is the world yielding a sufficient quantity of the fundamental metal in proportion to its material progress? A full and complete discussion of the subject would hark us back to all the currency and political difficulties of the past quarter century. The addition of Mexico to the gold standard nations, the definition of the rate of exchange in Brazil have added to the basic quality of gold and in a sense endeared it. These are contributing items to the general progress exhibited in the material universe. The increase in the Bank of France's rate last week to 3½ per cent. is a very strong proof of the lack of the metal. The world's production of gold in the past four years stated in round figures, is as follows:

1906	$405,000,000
1905	376,000,000
1904	346,000,000
1903	325,000,000

The estimate of 1907 is $435,000,000. Ten years ago the world's production was $200,000,000. The U. S. resumed specie payment on Jan. 1st, 1879. The total world's production during the twenty-nine years, 1878 to 1906 inclusive, was $5,427,839,000, of which more than half, $3,206,289,000, was produced in the eleven years since 1895.

The production of gold in 1907 will be between $430,000,000 and $440,000,000, according to the estimate of Mr. George E. Roberts, director of the U. S. Mint. He points out that with the new railroads building in Nevada and present activity in exploration and development that State is certain to show a very large increase in 1907, perhaps doubling the 1906 yield, which will be around $10,000,000 or $12,000,000. Alaska promises further gains in 1907, and Mexico is in shape to do better every year for some time to come. It is expected that the Klondike, which has been on a declining scale for several years, will hereafter do better as the result of dredging operations. Australia, which is a large producer, has been losing about $2,000,000 a year for three years. The world's ouput in 1907 may be expected to be between $430,000,000 and $440,000,000.

Ten years ago, in 1896, the world's production of gold was about $200,000,000. The enlarged output since then has made a notable change in the bank reserves of all countries, and has unquestionably made itself felt in the business world. This statement shows the holdings of the principal banks of issue, and of such Governments as carry gold reserves outside of banks, on Jan. 1, 1896, and Jan. 1, 1906:

Names of Banks	Jan. 1, 1896	Jan. 1, 1906
Bank of Austria-Hungary	$98,932,000	$246,400,000
Bank of Denmark	18,895,000	20,900,000
Bank of Spain	38,619,000	74,100,000
Bank of France	378,859,000	555,500,000
Banks of United Kingdom	255,836,000	188,100,000
Banks of Issue of Italy	84,939,000	189,500.000
Bank of the Netherlands	17,988,000	31,800,000
Bank of Roumania	11,773,000	15,000,000
Bank of Russia	370,560,000	434,700,000
Banks of Issue of Sweden	8,588,000	18,400,000
Banks of Issue of Switzerland	16,096,000	20,500,000
National Banks and Treasury of U. S....	259,939,000	955,800,000
Banks and Treasury of Canada	18,123,000	53,100,000
Banks of Germany	167,484,000	170,500,000
Banks of South Africa	15,987,000	36,500,000
Banks of Australasia	122,643,000	128,700,000
Banks of Portugal	5,100,000	5,300,000
Banks of Norway	9,000,000	7,600,000
Bank of Japan	15,692,000	59,400,000
Gov. Res. of India	None	19,700,000
Argentine Conversion Office	None	90,200,000
Total	$1,915,053,000	$3,321,700,000

Since the resumption of specie payment by the United States, on Jan. 1, 1879, other nations have adopted the gold standard for their money, and during the last year even Mexico has followed the example of the United States, and has not only established a gold standard, but is substituting gold coin very rapidly as the circulating medium.

The recent demand for gold in South America is partly due to the attempt of the Brazilian Government to regulate the exchange rates by giving a fixed value in gold to the milrei, for which purpose it is necessary to accumulate a large amount of gold in the Brazilian treasury. Argentina is also drawing upon London for a great deal of gold.

So far as the United States is concerned, the statistics of the United States Government show that during the past thirty years the United States has produced in gold $1,477,162,000, which was 27.84 per cent. of the world's production for that period.

All of this gold was retained for use in coinage and the arts, but the amount has been increased during the period under consideration $229,453,397, being the net excess of imports of gold over exports for the fiscal years ending June 30, 1878, to the end of February, 1907. If 30 per cent. of the production of gold in the United States for this period be deducted for use in the arts, it would leave $1,034,013,400 presumably converted into money, to which may be added the excess of imports, $229,463,397, making $1,263,476,797.

The world-wide scarcity of money will apparently not be alleviated by the normal increase in the gold output of 1907.

ANOTHER VEIW OF C.P.R.

A WALL STREET WRITER BECOMES DISCRIMINATIVE.

Says C.P.R. Has no License for its Present Price—As Compared With Other American Standards—His Estimate of This Year's Earnings—Another View of the Picture.

That excellent financial newspaper, the Wall Street Journal, has a conservative and somewhat discriminating article on C.P.R. It is quoted at full in The Post because it expresses another view of the picture. In his survey, the writer omits some wider questions which though not expressed in actual figures, possess a very strong bearing on the future of C.P.R. These are its absolutely distinctive transcontinental position and its self-containment as regards steamships, telegraphs, express, sleeping cars and all subsidiaries. The estimate of the land values is very conservative and does not provide for the timber areas in British Columbia, the coal treasures in the Crow's Nest district, nor the value of the irrigated lands in Southern Alberta. The Wall Street Journal of March 25 says:

"Canadian Pacific when it touched 155 on Saturday sold at the lowest price it has touched since 1905. In the middle of the winter this stock sold above $200 a share, and only last Monday it sold at $173 a share.

"Very little has happened to the values behind Canadian Pacific during the past few months to cause this break in the market. It is due purely to technical conditions just as the firmness with which Canadian Pacific held when other railroad stocks were falling off many points was due to technical conditions. The unusual conditions which have prevailed in the past two weeks have broken these technical conditions; forced a small amount of liquidation in Canadian Pacific; made vulnerable the position of the American pool which is supposed to be operating in the stock, with the result that Canadian Pacific common is rapidly getting down to the level of American transcontinental stocks where, so far as fundamental values go, it properly belongs.

"With a capitalization of but $33,000 per mile and charges of less than $1,000 a mile, the Canadian Pacific, earning upward of $7,000 gross per mile and $2,800 per annum net per mile is financially in a strong position. Its 6 per cent. dividends are entirely safe and the 1 per cent. it pays from its land account is safe as long as this account lasts. Last year the road earned twice its 6 per cent. dividends, say from 12 per cent. to 13 per cent., and the indications are that this year it will earn nearer 14 per cent., which, of course, must be considered a good showing, but there are American Granger roads which are earning considerably more, which distribute considerably more than the Canadian Pacific, and which have behind them more values and equities, but whose common stock sells far below Canadian Pacific common.

"The severe weather in the Canadian Northwest has affected the outlook of the road somewhat and, according to some close observers up in the Northwest, the severe winter will probably affect the immigration movement in Canada this spring, but all this should have no serious effect on the outlook for Canadian Pacific.

"Its earnings are having wonderful expansion and in spite of the fact that gross earnings last year increased $12,000,000 in the first seven months of the current fiscal year, they increased nearly $6,000,000, and in all probability the gross for the whole fiscal year will be not far short of $72,000,000, which represents an increase since 1903 of nearly $30,000,000.

"It is a feature significant of the trend of railroad operation that although the gross earnings of the Canadian Pacific have increased nearly $6,000,000 in the first seven months of the current fiscal year, net earnings have increased but $1,700,000. Heavy snowstorms and bad weather, tremendous wear and tear of equipment and roadbed incident thereto, together with advances in cost of labor and materials, have helped to make operating conditions in Canada scarcely less economical than in the United States.

"It is fair to estimate now that the Canadian Pacific this fiscal year will add about $2,250,000 to its surplus earnings, which is not a good showing in view of the tremendous expansion of gross earnings. This will mean about 13½ per cent earned on the common stock as follows:

Surplus reported last year	$14,900,000
Add indicated increase this year	2,250,000
Total	$17,150,000
Per. cent. on $121,680,000 of stock	13½

"The road has some concealed equities. Its maintenance of way last year was rather heavy as is also its maintenance of equipment. Probably 2 per cent. more on the common stock are buried here, making the real earning power of the road on the present basis of earnings more than 15 per cent.

"But as a basis of value for the stock the land account of the road is one of the very important things. Land sales last year amounted to 1,115,743 acres, yielding $6,513,452. Of this $6,500,000 was deposited for redemption of the land bonds, leaving a balance due on account of this mortgage of only $1,500,000. Yet the deferred payments due representing land sold but unpaid for, amounted to $16,382,823, so that as a matter of fact the Canadian Pacific has a free aseet represented by cash due on account of land sales, amounting to $15,000,000, which shall be paid year by year.

"In addition to this there remain unsold 13,500,000 acres of land, which are appreciating in value year by year. These lands are probably worth fully $75,000,000, and taking this in conjunction with the $15,000,000 of deferred payments the total land equity of the Canadian Pacific amounts to $90,000,000. It all belongs to the common stock and it is sufficient to pay 2 per cent. per annum thereon for nearly fifty years."

BANK OF NOVA SCOTIA
INCORPORATED 1832
Capital - - - - $3,000,000
Reserve Fund - - - - $5,250,000
Head Office: HALIFAX, N.S.
General Manager's Office: TORONTO
A general banking business transacted
Savings Accounts opened by deposit of $1 or over.
Interest added four times a year
FOR THE INFORMATION OF DEPOSITORS
This is the only Bank having its Head Office in Canada that submits its books and statements to examination by strictly independent auditor

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Rest and Undivided Profits, - - 3,236,513
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GEORGE BURN, General Manager

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7 % CUMULATIVE PREFERRED SHARES
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An English Paper Estimates Them at More Than $300,000,000.

Demonstrations of values and equities go absolutely for naught in a stock market like the present. Otherwise the very roseate estimate of the London Daily Mail on the value of C.P.R. lands might have had an optimistic influence on some of the small investors in Great Britain. The London Mail approximates the values of the C.P.R. lands thus:

"Private cablegrams from Vancouver recently received in the city, and referred to by the city editor of the Daily Mail, tell of the pressing demand for lands belonging to the Canadian Pacific Railway Company and of the disappointment of would-be buyers. The company, it appears, has recently raised the price of its lumber land to $25 an acre. Seeing that about half of its land holding of 16,000,000 acres consists of lumber-land, this land alone may thus be calculated as worth £40,000,000 sterling.

"Then there is, say, a million acres of coal and meneral-bearing lands, which, taking them at the same value as the lumber land, represents another £5,000,000 sterling. The remaining 7,000,000 acres consists of prairie and agricultural land, which at $12 an acre would represent £16,800,000.

"Thus the total potential value of the Canadian Pacific land holdings, quite apart from the railway, may be put at, say, £61,800,000, without taking into account the huge sum owing on lands of which the company has already disposed, or the fact that the lands are rapidly appreciating in value. This sum of £61,800,000 is about 2½ times the amount of the ordinary capital of the company."

The preamble sets forth that as a number of submarine deposits of coal cannot be worked, there being no means of access to them, it is desirable in the interests of the development of the province that reasonable means of access be provided.

THE FINANCIAL POST

OF CANADA

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Toronto, March 30, 1907.

COMMENT ON THE BANK CASE.

The judgment of the Hon. Mr. Justice Clute in the action of Ryan vs. Bank of Montreal, quoted at length in another column has evoked much ill-considered comment. The fact that the judgment is to be appealed forthwith should give pause to any condemnatory strictures in the press. If the judgment is upheld it follows that the Bank of Montreal has done Mr. Peter Ryan an injustice. If the judgment is found on appeal not to be in accordance with the evidence and the law, a more serious injustice has been done the Bank of Montreal.

Without attempting in any way to discuss the merits of the case, as the judgment is sweeping in its conclusion in regard to the alleged inspection of the Ryan account, two points recalled from the daily reports of the evidence and not covered in the judgment as so far published, may be mentioned:

The state of the Ryan account was disclosed under an order of the British Columbia courts in the action of the Bank of Montreal vs. Ashcroft Water Co. The latter secured an order for the examination for discovery of the late manager of the Toronto branch of the Bank of Montreal in the course of which the information was obtained.

At what stage does a bank account cease to be that of a customer and become that of a debtor?. If the account results in a standing debt long past due and no deposits or direct payments have been made, is the individual a customer or merely a debtor?

Bearing these two points in mind everyone will agree with the general principle laid down by the judge.

"It is difficult to imagine anything more likely to shake public confidence in our banks than the knowledge that customers' accounts are open to inspection and sale."

A SWEEPING JUDGMENT.

Apart from this particular case the judgment if upheld, will have a very sweeping effect on banking practice. It will in effect deprive a bank of the right of assigning a claim against a debtor who has at one time been a customer. In other words, a chartered bank will be unable to enjoy the common law right of an individual. It may be noted that private banks have generally assigned customers' accounts to secure advances from chartered banks.

It is a frequent practice for one customer's bank account to be guaranteed by another person. The guarantor will be unable to verify the position of the account except with the consent of the customer.

If a bank holds a past due note for, say, $10,000, and on this note a payment of $5,000 has been made, being unable to disclose the balance due, the bank will, in effect, be unable to assign the note.

There are many other difficulties which will result, but these few which have hastily occurred are interesting.

THE PROSPECT OF DEPRESSION.

The Post has made enquiry among a number of the leading manufacturers and bankers in Canada on the subject of commercial reaction which is now a topic of much discussion in the United States, owing to the unexampled decline in the security market. The answers to the question indicate that in this country at all events there are no definite signs of depression forthcoming. The manufacturers are almost unanimous in their firm beliefs. The money scarcity troubles the banker's mind and one bank manager is of the opinion that there will be no relief in this direction until general liquidation has followed the particular liquidation of securities. In other words prices of commodities, and rates of wages must fall. On the other hand one bank during the past week has shown its confidence by increasing its dividend.

THE CANADIAN OUTLOOK.

Has Aspects of Brightness that Distinguish it from the General Situation.

In their weekly market letter, Messrs. Jaffray & Cassels have the following interesting review:

Among the innumerable explanations of the weakness in New York stocks, the stringency of the world's money markets stands out as the predominating influence. The decline in stock prices, in our view, is only one evidence of this condition. This condition of lack of capital must affect general commercial business, and bring about some contraction in commerce. Such contraction will be the result of the lack of capital, not of the stock market's decline. The question for the investor to consider is the extent of such contraction, and the localities to be most affected.

Important influences toward the limitation of such reaction are the increasing gold production and the increasing numbers of the consuming public. The expansion of the commerce of the more developed countries into such countries as China, Africa, and even South America, which formerly were not large customers, will help to maintain a steady market for commodities, since these new areas, having less extended credit. are less affected by world-wide money stringency. With money too scarce to supply all demands, funds will be attracted to centres offering greatest profit together with security. It is this point which makes the outlook in Canada bright. Immigrants bringing funds with them to this country are but an evidence of this tendency of money itself. Canada's great natural resources still promise immense profits to those who undertake their development. Both profit and security are offered to the world by investment in Canada.

The relatively high level at which C P.R. stock has held is testimony to the financial world's appreciation of these facts. C.P.R. stock is unique, too, in the variety of interests it involves. Outside the railway itself; the land holdings are most important, and give the purchaser of the stock a greater interest in this country's development than is involved in the traffic returns alone. The returns of the C.P.R. for the remaining months of the fiscal year promise to show very large expansion, and this fact will help to focus the attention of financial centres on Canadian prospects.

The increase in the rate of dividend of the Imperial Bank from 10 to 11 per cent. may be takem as a declaration by the directors of this carefully managed corporation that they foresee no serious curtailment of business in Canada because of scarcity of capital.

An analysis of the excellent report of the Canadian General Electric Company is not possible in the limited space of this letter. One paragraph of the report is especially significant; that regarding the foundry department's earnings, which amounted to about $210,000; of this $106,000 was taken to cover losses incidental to the development of a large number of new lines. A profit of $103,709 was brought forward. This is the first profit brought forward from this department. Less development work will be necessary this year. The capacity of the plant is fully engaged for 1907. The completion of the new buildings and equipment will add to the percentage of profit. These facts warrant the expectation of considerable increase in profits from this department.

The reputation of Mr. E. H. Harriman as a financier does not forbid endorsation of his opinions as a railway expert. In a recent interview (quoted in The Financial Post) Mr. Harriman expressed the opinion that the limit of traction capacity had practically been reached by American railways on the present gauge. Either a wider gauge or electrical power, in his opinion, was the next step. Those who have been inclined to take a pessimistic view of the future of the General Electric Co.'s business would do well to include a consideration of this point in its prospects.

CANADA IN 1906.

Some Salient Figures Compiled from a Bank's Annual Report.

Estimated population on Dec. 31st, 1906, 6,441,000.

Revenue, $80,139,360; expenditure, $67,240,640.

Exports, $235,483,956.

Imports, $290,360,807.

Deposits, chartered banks, $669,517,537; in other depository institutions, $112,135,026.

Total, $791,652,563, or $122 per capita.

Immigration, 1906, 189,064; 1905, 146,266. (Estimate for 1907, 300,000.)

Crops, Manitoba, Alberta, Saskatchewan, in 1906, wheat, 85,000,000 bushels; oats, 86,500,000 bushels; barley, 20,780,000 bushels.

Steam railways, 1905, gross earnings, $106,467,199; working expenses, $79,977,574; capital, ordinary shares, $370,958,841; preference shares, $155,395,110; bonded debt, $465,543,967.

These are statistics offered in much excellent detail and with fuller amplification in the very admirable broclure in which the Royal Bank of Canada incorporates its annual report.

In presenting the principal statistics of the Dominion in a well arranged form, capable of easy reference, the Royal Bank is doing a very good service, modest, but valuable. Its figures are a speaking proof of the expansion of the Dominion and are of such a character that no further argument is necessary.

A NOTEWORTHY JUDGMENT

OF INTEREST TO EVERY BANK MAN IN CANADA.

The Decision in Ryan vs. Bank of Montreal—The Inspection of a Customer's Account—The Learned Judge Holds That No Bank Can Sell a Claim Against a Customer—A Bank Therefore Debarred From a Common Law Remedy.

The judgment of Hon. Mr. Justice Clute in the actions of Montgomery vs. Ryan and Ryan vs. the Bank of Montreal, has created much public comment. The judgment involves points that are in a sense revolutionary in character and the logical conclusion is that a bank, by reason of a clause in the Bank Act, is debarred from realizing on a customer's account without his consent. This decision involves such an important point that the written judgment is herewith reprinted. It is understood that an appeal will be taken. Its outcome will be watched with interest by every banker in the Dominion, especially in view of the following general principle laid down by the Honorable Justice:—"I do not well see how any account could be sold without inspection, and if that be so, a bank has no right to sell a customer's account as such."

Mr. Justice Clute's judgment deals with two cases—Montgomery vs. Ryan and Ryan vs. the Bank of Montreal and Montgomery. The first of these actions was brought to recover $12,989.24, and interest upon a demand note dated Nov. 16, 1905, for $17,240. The defence claimed that the note had been paid by collections made by the bank for which only partial credits had been given. The second action was brought by the defendant in the former action, claiming that the bank conspired with Montgomery to maintain the illegal and wrongful condition of the account. It was further charged that Montgomery was actuated by malicious motives in securing a transfer of Ryan's account. The bank denied the charge of fraud, claiming that Ryan was justly indebted to them in the sum of $12,989.24 in respect of the promissory note; that they had demanded payment and payment had been refused.

"The evidence, in part, was very contradictory," says Mr. Justice Clute, "but from the correspondence and documents the main facts are sufficiently clear. Mr. Peter Ryan had an account with the Bank of Montreal since 1895; the account shows large transactions, the monthly deposits varying and reaching at times from $20,000 to over $100,000. Hypothecation was made of various securities to the bank as collateral to the account and future advances. At the end of each month Ryan received through his daily appointed attorney the monthly cheques and acknowledged in the usual way affirming the account. I find the account was not examined either by himself or his attorney, and that he was not aware from time to time what rate of interest was being charged.

"On the 16th of July, 1905, Ryan gave a demand note to the Bank of Montreal for $17,240, with interest to and until paid at six per cent. This amount represented the balance due the bank of various advances as appeared in Ryan's account and included interest at seven per cent. compounded monthly.

"Among the securities held as collateral by the bank was the Ashcroft note upon which Ryan had advanced the full face thereof in cash. The bank pressing for payment at Ryan's request, put this note in suit in British Columbia. The action was defended and John Shields, who had been interested with Ryan in mills and timber limits in British Columbia, was exceedingly anxious to prevent judgment being recovered upon this note against the Ashcroft Company. A dispute has arisen between Ryan and Shields in respect of a certain sale of timber limits and mills. The uncontradicted evidence shows that Ryan had advanced some $197,000 to the Ashcroft Company, in which he and Shields were interested as stockholders. A sale was made of the entire interest of the Ashcroft Company for $225,000 to one Fowler and his associates, of which sum $175,000 was to be paid to the vendors and the balance of $50,000 divided among Fowler and his associates. So that the actual purchase price was $175,000. The money that Ryan received was applied on payment of debts leaving unpaid a large balance due Ryan and the Ashcroft notes in the hands of the bank unpaid. A dispute had arisen in regard to another timber deal, in which Shields claimed that he was entitled to receive some $20,000 from Ryan, but Ryan claimed that Shields was largely indebted to him. The merits of this dispute were not further disclosed.

"When the transaction for the sale of the Ashcroft property came to be completed Shields controlled the situation and refused to convey to Fowler until he had been paid the said $20,000. If judgment had been obtained and execution placed in the Sheriff's hands upon the Ashcroft notes the amount might have been realized by the Bank of Montreal of the $3,000. Shields and Fowler, therefore, were interested from different motives in prevnting judgment being obtaind on the Ashcroft notes; Shields because he had not been paid the $20,000, and Fowler because he was interested in preventing an execution against property for which he had in whole or in part paid. Under these conditions negotiations commenced first with Shields and the Bank of Montreal to purchase the Ryan securities. At first it was desired to purchase only the judgment to be obtained against the Ashcroft company, but the bank refused to sell part, and insisted upon Shields taking over the entire account and the securities collateral thereto. This ended in an agreement with Shields for whom Montgomery was acting at this stage, and who was Shields' nominee.

"There was delay in carrying out this arrangement, and apparently Shields was not able to pay the money. The agreement was made on the 18th of January, 1906, and a few days later Fowler came to Toronto, had an interview with Shields at Mr. Worrell's office, solicitor for the Bank of Montreal, who was charged with the negotiations which resulted in the transfer. While no financial arrangement was made it was understood that Fowler would take the place of Shields, advance the money and take over the Ryan account with the collateral securities. Fowler in his evidence denied that he was acting in harmony with Shields, and that on the 26th of January he did not know the extent of the negotiations between Shields and the Bank of Montreal.

"Fowler was evidently in error with reference to this, and I find as a fact that he had knowledge of what had been done in reference to the agreement between Shields and the bank, that Montgomery was to be the alter ego of Shields in this transaction, and that when Shields was not able to advance the money the parties arranged to carry out the same agreement that had existed between Shields and the bank in the name of Montgomery acting as trustee and in the stead of Fowler. Although the pleadings declare that Montgomery was acting for Shields, as a matter of fact, this was done to prevent Fowler's name appearing, who did not desire, as he says, to have Ryan know that he was acting in the premises, but the evidence is perfectly clear that Montgomery acted only as trustee.

"The bank held a balance against Ryan overdue secured by collaterals which I find were more than sufficient to pay off the claim. Shields and Fowler from different motives desired to obtain these collaterals to use as a lever or pressure on Ryan in a way to compel him to pay the $20,000 which Shields claimed and in order to secure the title to the property which Fowler had bought.

"The Bank of Montreal at this time was pressing for payment, and some ill-feeling seems to have existed between Mr. Ryan and the bank manager over the account. At all events, it was said that Ryan refused to again visit the bank. The bank refused to sell the securities piece-meal, and I find as a fact that they were offered payment of the claim against the Ashcroft Company in full and refused, insisting on receiving the full amount of the account and transferring the whole account and all the securities. I find that Ryan was kept in ignorance of what was being done."

The judge also finds that the demand note was past due at the date of the alleged transfer and that the note was made up of charges which included interest at 7 per cent., whereas the bank never stipulated for interest at that amount.

The judge goes on to point out that the bank insisted upon payment of the judgment, and thereupon Montgomery gave his cheque to the bank's solicitor for the full claim, including the amount of the judgment. Later the bank's solicitor, by cheque, repaid Montgomery the amount, $3,773.31, being the amount of the Ashcroft judgment. The judgment was never paid by the Ashcroft Company, the money belonging to Fowler, it being understood that, upon the agreement being fully carried out, this amount should be returned to Montgomery.

Mr. Justice Clute goes on to consider whether the bank had the right to allow inspection of Ryan's account with a view to selling, and, having sold, to allow inspection to the purchaser.

"It is against the policy of the law," he says, "that any person who is not a director should be allowed to inspect the account of anyone dealing with the bank, and this being so, any agreement which carries with it the right to inspect is in direct contravention of the Bank Act. Indeed, I do not well see how any account could be sold without inspection, and if that be so, a bank has no right to sell a customer's account as such. The evidence shows that the present case is unprecedented so far as the Bank of Montreal is concerned.

"It is difficult to imagine anything more likely to shake public confidence in our banks than the knowledge that customer's accounts are open to inspection and sale. Great injustice might be done by exposing the private affairs of a company and selling his account to an avowed enemy or one who desired to use his information as a level for private ends, as was admitted in this case. Having regard to the high standing of the Bank of Montreal it is almost incredible that it should so disregard its duty to its customers."

The judge concludes: "I think the whole agreement is void because there is one entire consideration, viz., the sum paid for what Montgomery was to receive."

The finding of the judge is as follows: "I think the action of Montgomery vs. Ryan should be dismissed with costs and the counter-claim dismissed without costs.

"In Ryan vs. Bank of Montreal, it was agreed that I should assess the damages for the wrongful inspection of Ryan's account if so found.

"I think the plaintiff suffered substantial damages. It was urged by Mr. Watson that plaintiff was entitled to recover the full value of the securities, $26,000.

"What this pecuniary loss may be is yet uncertain," says the judge, after quoting precedents. "Even if Ryan justly owed Shields the amount claimed by him, and the disclosure would enable Shields to obtain payment that is no excuse on the part of the bank.

"After the best consideration I have been able to give this branch of the case I think $1,000 would be a reasonable sum and I assess the damages at that amount.

"The plaintiff is entitled to judgment declaring wrongful, illegal and void the agreement for the transfer of the accont, securities and note in question; a reference to the Master to take an account of the amount due the Bank of Montreal at the legal rate of interest, 6 or 5 per cent., as the case may be; no compound interest to be allowed, plaintiff to have credit for all payments made on securities, either to the bank, their solicitors or Montgomery.

"The plaintiff to have credit for the full amount of the Ashcroft judgment, debt and costs received by the bank; an account of all securities received by the bank from the plaintiff and payments thereon.

"Judgment for plaintiff for $1,000 with costs of action up to and inclusive of this judgment. Further directions and costs reserved."

SOME SURPRISING CHANGES

ARE LIKELY TO OCCUR WHEN LEDGERS ARE BALANCED.

As a Result of the Silent Panic—Corporate Interests Altered—Some Will Be Off the Financial Map—Report That There Was Gunning for Canadians.

New York, March 27.—Rumors of business troubles have occupied a large share of public attention during the last week. It was unprecedented that such a fall in values as we have seen should not be accompanied with results disastrous to some more or less closely concerned in stock values. It was therefore natural to look for such results. But the unexpected has happened and directly following the decline any troubles that were brewing were patched up for the time being at least. The stability of more than one large interest was the subject of talk or gossip, both here and in London. The difficulty has not come on this occasion from the default of public speculators in regard to obligations touching commitments in the speculative markets, because as pointed out in these letters the public is, compared with previous great depressions in security values, not in the market. Hence the absence of disastrous failures. But in the absence of public commitments in the security markets, inside interests and brokers needing business have had to look elsewhere.

Diamond Cut Diamond.

The result has led to increased speculative operations on the part of interests that have always in the past exploited the public. This led to a game of diamond cut diamond and when after months of unsuccessful angling to get the public to relieve the big men of some of the load they have been carrying—a load that was being continually augmented by supporting the market—it has been found necessary to throw over some big holdings. Formerly the public has come into the market on the crest of a boom and the large operators have been able to stand from under when they saw a crash impending. On the present occasion the latter have had the game to themselves and had to bear the brunt of the drop. Any one who compares present prices with those of two months or less ago can easily understand the enormous losses that have taken place, and the result is that some leading operators in the street have been badly crippled. It will take a long time for them to recuperate.

The "Silent Panic."

The most remarkable thing about the continued fall in values is the little apparent effect it has had on those most concerned in the losses that it entailed. Apparently no individual credit was affected while this crumbling away of prices was in progress during the first three weeks of March. But, as a matter of fact, there are more financial lame ducks behind the scene in Wall Street at the moment than have been created by previous depressions in the market. When a period of less unrest comes, there will be a weeding out process that may astonish not a few who have watched the present troublous situation from its inception. It is not unlikely, too, that there may be some surprising changes in corporate interests as a result of the quiet squelching of certain big speculators in the decline. The fact that this "silent panic" has not been accompanied by weeping and wailing as would have been the case had the general public been largely interested in the market, points to the probability that those who have suffered the greatest losses have been quietly taken care of by stronger interests who were perfectly well aware that a few big failures would have precipitated a situation that would have been absolutely disastrous to the whole nation.

Money.

That money is not likely to become cheap or easy for a long time, everyone now concedes. The action of the Bank of France in this connection and the attitude of the Bank of England is not encouraging. It does not seem that the United States will secure much assistance financially from Europe. Far from purchasing American securities at their present comparatively low prices, British and foreign investors seem to take the view that they should be felt alone till the epidemic of government investigations is over and till it can be ascertained if the railroad and other corporations will be able in the future to continue to keep their securities on the present dividend and interest basis.

A Readjustment of Values.

To some extent the decline in prices is a readjustment of values to the anticipated future earning power of corporations and to some extent it is the approachment to a condition more in keeping with the laws of supply and demand, it having been realized that while the supply of stocks was increasing, the demand was at a standstill, owing to the high prices of securities.

Scarcity of Funds.

If the spending of borrowed money causes good times, then the inability to borrow funds should have the reverse effect. The railroads now find themselves unable to negotiate loans. The banks have shut down on them. The Erie Railway finds itself unable to carry out improvements to the extent of thirty million dollars in connection with subsidiary lines on the securities of which it was intended to raise the money, the Erie to guarantee these securities, and later on to take over the new lines. Legislation pending at Albany would prevent this arrangement and the banks, in view that fact, refuse to advance the money. Other roads are unable to secure advances. It is estimated that contemplated railroad improvements to the extent of $200,000,000 are being held up in consequence. No one, not even the most astute bankers, can foresee the outcome of the present situation, and caution is the watchword of the moment.

Mr. Harriman.

All sorts of stories are heard about Mr. Harriman. It is said that some months ago he borrowed 60 millions in Paris and that the maturing of this loan and the inability to distribute stocks of American railroads led to the recent slump in this city. Stories are heard of united efforts of big men to crush him and it is predicted that in time it will be found he has lost control of Union Pacific.

Gunning for Canadians.

The Wall Street bears have lately discovered weak spots in the Canadian speculative situation and that was the occasion of the recent attack on Canadian Pacific and other shares in which Montreal and Toronto traders were interested. Profiting by an experience in 1903, a New York house early in March sent an agent on a still hunt to the leading Canadian centres to ascertain the exact situation, and his report on his return was the signal for the attack that led to the break in Canadian specialties. "The trouble with Canadians," said a leading broker here, "is that they hang on too long. One never makes a mistake in seizing a good profit. No one can expect to get in at the bottom and out at the top."

A. J. CANUCK.

A TRACTION MAGNATE'S IDEAS.

In an address on the railroad situation, Mr. Theodore Shonts, the president of the Interborough Rapid Transit Company, had this to say among other things:—

The Railroad Rates.

Declaring that a reduction in railroad rates is impossible if the roads are to continue doing business, Mr. Shonts pronounced the situation very grave.

"If the various states continue arbitrarily to reduce rates, as some of them are doing," he said, "and the various labor organizations continue to press their demands for increased wages and shorter hours, the next unprecedented crop harvested in this country will be a record-breaking crop of receiverships.

"I am not here to say that the railroad corporations have not done a great deal to justify the hostile feeling which exists against them, neither am I here to say that the violators of the law should not be punished by the law, but I do wish to say, and with all possible emphasis, that in my judgment the time has come for fair play to both sides of this controversy. In other words, the time has come for what the president calls a square deal, but we want it all around.

"I believe that the time has come to 'let by-gones be by-gones' and to start with a clean sheet, safeguarding as far as possible future issues of securities, so as to prevent injustice to either the stockholder or the public.

Advises a Compromise.

"This is a world of compromises. Humanity is a 'give and take' proposition. The ideal has never actually been attained. Let us, then, compromise on the best available and the most practicable. Let the railroad managers lay aside all subterfuge and come out in the open. Let there be a maximum of publicity and a minimum of legislation. Let eminent financiers and 'captains of industry' co-operate with the president to bring about better corporate practices. Let them lay their cards on the table and say to the president, 'We will uphold your hands not only in enforcing existing laws but in passing such others as are necessary to prevent wrong-doing, but you in return must protect us from the irresponsible agitator, wherever he may be.' Let us convince the public that we will give it the best facilities American ingenuity can devise, and in my judgment the funds required will be forthcoming.

"However, in order to accomplish these results all agitation which is not necessary for the enforcement of the law should cease. We should settle down to a basis where the railroad investor will not only feel sure of getting a fair return on the amount invested, but will also feel that his capital is safe. Let the owners of corporations make it their first duty to serve the public, and thereby best serve themselves."

The staff of the Merchants Bank of Canada, at Montreal, on the occasion of the approaching marriage of Mr. D. C. Macarow, the local manager, presented him with a silver loving cup and a handsome case of pipes. Mr. Macarow leaves for London, where his marriage will take place, at the end of this month.

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JAMES MASON, General Manager

NOTICE TO DEPOSITORS

AFTER THE FIRST OF APRIL, 1907, Interest on deposits with this Corporation will be paid or added to the account and compounded quarterly, on 31st March, 30th June, 30th September, and 31st December in each year.

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COBALT STOCKS.

A Dull Market—The Nipissing Dividend Reduction Had Little Effect.

The Cobalt market has been very quiet during the week. The fact that Nipissing goes on a basis of 3 per cent. this quarter and dispenses with the bonus of two per cent., had in itself no appreciable effect on the market price. Green-Meehan towards the close of the week showed signs of recovering from the depths into which it had fallen. The severe declines of the previous week left the curb market somewhat spiritless.

The shipments for the next few weeks will probably be reduced on account of the state of the roads.

On the $6,000,000 capitalization of the Nipissing, the 3 per cent. dividend will require the expenditure of $180,000. President Earle states that the company has ample funds to pay this, as it has cash on hand and ore in transit and at the smelter amounting to $600,000. The $120,000 saved by the discontinuance of the extra 2 per cent. dividend will be spent in extensive prospecting, developing the surface and the interior workings of the mine, and erecting buildings for the accommodation of about 600 more men to be employed at the mines. The record of dividends declared by Nipissing since its inception is as follows: June 20. 1906, initial dividend of 3 per cent.; Sept. 20, 1906. 3 per cent. and an extra dividend of 2 per cent.; Dec. 20, 1906, also 3 per cent. and 2 per cent. extra, and on March 25. 1907. the regular 3 per cent. without the extra. The total amount disbursed to stockholders. including the dividend just declared, is $960,000.

The United Empire Bank has opened its branch in Hamilton. It has very handsome quarters in the Federal Life building.

New York Stock Exchange.

Range of Prices for Week Ending March 28th.

—	Closing Mar. 22	Open. Mar. 23	High.	Low.	Last.
Amalg. Copper Co.	91⅛	89¾	91	78½	85⅞
Am. Car & Foundry	35⅜	34⅞	35¼	30¼	34
Am. Locomotive Co.	62¾	61	61	55¾	59⅝
Am. Smelt. & Ref.	118	116	119	104¼	115⅞
Am. Sugar Ref. Co.	121	120⅛	122	116⅛	122
Am. Tobacco Co., pf.	90½	90	90½	86½	89½
Am. Woolen Co.	29	28⅛	28⅛	24¼	26½
Anaconda Cop. Min.	62⅜	60¾	61¼	53	60¼
At., Top. & S.F.	88½	87¾	89¾	82¾	97¼
Atlantic Coast Line	100	100	100	96½	97¼
Baltimore & Ohio	96⅜	95	98	90⅛	95
Brook. Rapid Transit	52½	51	51⅜	46⅛	49
Canadian Pacific	163⅛	160	168½	155	167¼
Chesapeake & Ohio	39¾	39	40¾	36¾	40¾
Chi.. Great Western	13¾	13½	14¾	12¼	13½
Chi., Mil. & St. Paul	129⅜	128¾	133¾	122½	128¾
C., C., C. & St. Louis	74⅛	70	70	63	65½
Chi. & Northwestern	142½	142	147	138	145
Colorado Fuel & Iron	34	33	34½	29½	33½
Colorado & Southern	26	25⅛	25⅛	22½	23¾
Consolidated Gas	120	118½	121½	116	121½
Delaware & Hudson	173½	172	178½	167	177
Den. & Rio Grande	30¾	28½	29¾	28½	29
Dul., S.S. & At.	13½	13½	13½	12½	13
Erie	25⅛	24	26⅛	213	24
Erie, 2d pf.	37⅜	37	39	34¾	37
General Electric	144	143¾	146	138	144½
Great Northern, pf.	138	135¾	139	127½	136¾
Illinois Central	140	139½	143	134	141¾
Interb.-Metropolitan	24	24	24¾	22⅛	24
Internat. Paper Co.	14½	14¾	14¾	13	14½
Louisville & Nash.	115	113¼	117	109	116
Mackay Companies	67½	66¾	67	65	66½
Mackay Companies, pf.	68¼	65½	67	65	66½
Mexican Central, pf.	19⅞	19½	20⅞	18	20⅛
Minn. & St. Louis	52	52	49½	49	49
M., St. P. & S.S.M.	103	100¼	104½	97⅛	103½
M., St. P. & S.S.M., pf.	130¼	129¾	133	123	131½
Mo., Kan. & Texas	35¼	34	35½	30¼	34½
Missouri Pacific	72½	71¾	73	68⅜	72⅛
New York Central	116⅞	116½	118½	113	115¾
N.Y., Ont. & Western	37½	36½	38	34½	37½
Norfolk & Western	76	74	77½	72	75½
Northern Pacific	123½	121½	124¾	114¼	124
Pennsylvania R.R.	121⅛	120⅜	122½	116½	121
People's Gas, Chi.	88½	87⅛	89	85	88
Pullman Company	160	159¾	160	155⅛	160
Railway Steel Spring	44	43⅜	43	39	41¾
Reading	101½	99	104	91⅞	102⅜
Rep. Iron & Steel	26	25¼	25½	22½	24¼
Rock Island Co.	20⅝	20¼	20⅜	17⅛	20¼
Rock Island, pf.	46	45¼	45¼	40¾	45
St. Louis Southwestern	21¾	19¼	21⅛	19¼	21⅛
Sloss-Shef. Steel & Iron	52½	52	53½	46	52⅛
Southern Pacific	80	79¼	80⅜	72¼	78⅞
South. Railway	20⅝	20⅜	21⅞	19¾	21¼
Texas & Pacific	28¼	27½	27½	24¾	26
Union Pacific	133¼	131½	134	121¾	131⅛
U.S. Rubber	47	46	42¼	36⅛	41½
U.S. Steel	35¾	35	35¼	31½	34¼
U.S. Steel, pf.	98⅞	98	98½	92¼	96⅜
Wabash	13¾	13½	13⅝	12⅞	13⅝
Western Union Tel.	....	....	....	....	....
Wisconsin Central, pf.	39	39	39	36	37

TOWNSHIP OF TUCKERSMITH
(County of Huron)
DEBENTURES
TO YIELD 4½%

Assessed Value for Taxation $2,140,924
General Debenture Debt - - 16,158

WOOD, GUNDY & COMPANY
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W. G. JAFFRAY,
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Railroad and Street Railway Earnings

Gross Earnings

—	Week ending	1907.	1906.	Changes.		From date mentioned to the last week for which earnings have been reported. Date.	1907.	1906.	Changes.	
Canadian Northern	Mch. 7	107,100 03	79,400 00	plus	27,700 00	....	....	....	....	
Canadian Northern	Mch. 14	123,200 00	98,300 00	plus	24,900 00	....	....	....	....	
Canadian Northern	Mch. 21	109,400 00	101,600 00	plus	7,800 00	July 1	4,940,400 00	3,633,800 00	plus	1,306,600 00
Canadian Pacific	Mch. 21	1,389,000 00	1,129,000 00	plus	260,000 00	July 1	49,458,000 00	43,023,000 00	plus	6,435,000 00
Duluth, S.S. & Atlantic	Mch. 21	....	....	....		....	....	....	....	
Grand Trunk System	Mch. 21	....	....	....		....	....	....	....	
Minn., St. P. & S.S.M. (Soo)	Mch. 21	....	....	....		....	....	....	....	
Detroit United	Mch. 14	107,548 00	93,358 00	plus	14,190 00	Jan. 1	1,067,655 00	958,038 00	plus	109,617 00
Halifax Electric Tram	Mch. 14	2,618 64	2,807 01	minus	188 37	....	....	....	....	
Halifax Electric Tram	Mch. 21	2,965 21	2,406 81	plus	558 40	Jan. 1	31,729 51	29,669 93	plus	2,059 58
Montreal Street Railway	Mch. 21	61,856 71	51,490 61	plus	10,336 10	Oct. 1	1,509,241 98	1,327,793 92	plus	181,448 06
Toledo Railways	Mch. 21	27,772 89	24,407 22	plus	3,365 67	Jan. 1	306,751 47	274,523 23	plus	32,228 24
Toronto Railway Co.	Mch. 21	59,871 79	51,795 88	plus	8,075 91	Jan. 1	668,035 03	602,365 37	plus	65,669 66
Twin City	Mch. 14	105,412 00	92,317 00	plus	13,095 00	Jan. 1	1,082,363 00	966,291 00	plus	116,072 00

Railway Net Earnings

—	FEBRUARY 1907	FEBRUARY 1906	Changes		Two months. 1907	Two months. 1906	Changes	
Northern Ohio Traction.								
Gross	116,858 29	106,472 32	plus	10,385 97	242,049 38	221,440 41	plus	20,608 97
Operating expenses	72,710 59	68,930 68	plus	3,779 91	152,291 85	145,786 40	plus	6,505 45
Net	44,147 70	37,541 54	plus	6,606 06	89,757 53	75,654 01	plus	14,103 52
Fixed Charges	41,400 43	39,947 01	plus	1,453 42	82,739 89	79,894 02	plus	2,845 87
Surplus	2,747 27	....	plus	5,152 64	7,017 64	....	plus	11,257 65
Deficit	....	2,405 37	....		....	4,240 01	....	
Sao Paulo Tramway L. & P.								
Gross	169,000 00	161,977 00	plus	7,023 00	345,434 00	338,043 00	plus	7,391 00
Operating Expenses	56,000 00	54,881 50	plus	1,119 00	112,434 00	113,263 00	minus	829 00
Net	113,000 00	107,096 00	plus	5,904 00	233,000 00	224,780 00	plus	8,220 00
Detroit United.								
Gross	439,001 00	375,419 00	plus	63,582 00	921,962 00	789,627 00	plus	132,335 00
Expenses and Taxes	307,887 00	234,319 00	plus	73,568 00	619,589 00	484,554 00	plus	135,035 00
Net	131,114 00	141,100 00	minus	9,986 00	302,373 00	305,073 00	minus	2,700 00
Other Inc	4,730 00	3,915 00	plus	815 00	8,987 00	7,540 00	plus	1,447 00
Total Inc	135,844 00	145,015 00	minus	9,171 00	311,360 00	312,613 00	minus	1,253 00
Charges	108,336 00	92,296 00	plus	16,040 00	216,439 00	184,538 00	plus	21,901 00
Surplus	27,508 00	52,719 00	minus	25,211 00	94,921 00	128,075 00	minus	33,154 00
Toledo Railways and Light Co.								
Gross	153,744 91	142,811 04	plus	10,933 87	324,429 25	301,865 03	plus	22,564 22
Operating Expenses	89,618 31	75,165 42	plus	14,452 89	188,657 70	158,313 58	plus	30,344 12
Net	64,126 60	67,645 62	minus	3,519 02	135,771 55	143,551 45	minus	7,779 90
Charges	45,207 33	42,304 45	plus	2,902 88	89,393 93	84,594 69	plus	4,799 24
Net Inc	18,919 27	25,341 17	minus	6,421 90	46,377 62	58,956 76	minus	12,579 14
Rio de Janeiro Tram.								
Gross	448,125 00	415,710 00	plus	32,415 00				
Maintenance and Operating Expenses	299,063 00	311,785 00	minus	12,722 00				
Net	149,062 00	103,925 00	plus	45,137 00				

CARTER-CRUME.

The Carter-Crume Company in its annual statement shows net profits for the year 1906 of $126,060, as compared with $117,299 in 1905, or an increase of $8,761. Following the policy laid down in 1905 the directors defer the payment of dividends on the common stock, utilizing the money for the purposes of the expanding business. In 1906 this was the largest in the history of the company and the indications are that 1907 will show a substantial increase. The vice-president, Mr. S. J. Moore, said at the annual meeting:

"At the present time the unfilled orders on our books are very largely in excess of such orders at any period in the company's past history. At no time since the commencement of the business has it been so apparent as now that the field in which the company operates is one which will annually become larger.

"While we have adopted the conservative policy of retaining in the business more than one half of the net profits earned during 1906, and expect to pursue the same policy during 1907, it seems but fair that provision should be made so that after this has been done, a portion of the surplus profits might in future years be distributed in dividends to the common shareholders. In order to make this possible, it will be necessary to provide additional capital, so that the liabilities of the company may be reduced, and provision made for still further increase in the business. The directors have, therefore, concluded that an issue of $200,000 of preferred stock should be made."

The by-law for the issue of new preferred stock was carried unanimously. When the new stock issue is completed, the Carter-Crume Company's capitalization will stand as follows:

Preferred stock, $992,800.
Common stock, $1,250,000.

The profits last year were equivalent to 15 per cent. on the preferred stock. The estimate for 1907 having regard to unfilled orders gives every indication that not only will the $14,000 dividend on new preferred be earned, but that there will be a goodly balance for the reserve fund (now $215,000) or for distribution.

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THE SECURITY REVIEW

(Continued from Page 1.)

Imperial Bank.

The Imperial Bank since the first of the year has been the first banking institution to demonstrate the excellent position in which the well founded and wisely administered banks of Canada find themselves. The directors decided this week to increase the dividend to a basis of 11 per cent. per annum. The first quarterly payment of 2¾ per cent. will be made on May 1st. In the present financial situation this increase is interesting as expressing the confidence of the administration in the future, so far as the Imperial Bank is concerned. It emphasizes the confidence which The Post has expressed in the future of our leading banks.

Rio Earnings.

The Rio de Janeiro Tramway, Light & Power Company made a less favorable showing in gross earnings for February than in January, but the decrease in operating more than counterbalanced the difference, with the result that February net earnings were about $4,062 better than in January.

Compared with February, 1906, the net earnings show an increase of $45,000, and the operating expenses a decrease of over $11,000. The approximate statement received by cable, is :

	Feb. 07	Feb. 06
Gross earnings	$448,125	$415,710
Maintenance and operating charges.....	299,063	311,785
Net earnings..........	$149,062	$103,925

Increase, $45,137.

By months, the showing is :

Month	Gross	Net	Op.Ex. p.c. of gross
August	$492,823	$115,551	76.55
September.. .	477,330	132,000	72.34
October	508,330	156,600	69.19
November	492,600	150,960	69.35
December	513,600	161,000	68.65
January . . .	468,115	145,000	69.07
February . . .	448,125	149,062	66.74

C. P. R.

In spite of the great drive made at this stock last week and the pessimistic outlook on Saturday in Berlin and London, the stock recovered very quickly, and on Tuesday closed at 164½, a gain of over five points on the day. That much talked of speculative pool, if it exists in London, has either disappeared or, as it has breasted the heavy downfall of last week is in a fairly capable position. C.P.R. gross earnings for the second week in March were $1,389,000, an increase of $260,000. With the grain carrying still in arrear and the emigration now pouring in the ratio of gain in earnings should continue most favorably.

The following letter is quoted as emanating from a member of the London Stock Exchange; it may be founded on fact or not, but it has at all events a gossipy interest :

"If there be a stock in the outside market which has a bona fide British, and I might even say European, following, it is Canadian Pacific. When it is being thrown overboard in chunks as it has been every day this week, we may be quite sure that it is not bears who are selling. It will be some big holder who has his reasons, optional or compulsory, as the case may be.

"There are certain notorious operatoes in C.P.R., whose names jump to everybody's tongue when either a spurt or a slump takes place. Two of these are well known in New York, and they favor London with a campaign visit once a year, generally in the fall. They are sure to leave some characteristic souvenir behind them.

"One of them is remembered as the giver of the hundred-guinea-a-head banquet, which still holds the record here for costly vulgarity. The other is best known for his sharp deals and the tricks he plays on unwary jobbers. Last fall he started a shoot-up in Canada by giving a broker an order to buy 10,000 "without going into the market." The moment he got them he cabled a similar order to New York. Soon afterwards London was trying to cover its sales in New York, while New York was trying to cover its sales in London. The price went up four points before the double operation was finished.

"Wall Street as well as Capel Court must have unpleasant memories of that cross-deal in 20,000 Canadas. Neither market would be sorry to know that these are among the shares now being thrown over. It certainly looks suspicious that other pet stocks of the same plunger have also begun to slump. Hudson's Bays for instance, were offered this morning from 115 to 112, and then to 110 without finding a buyer.

THE BANK OF FRANCE

WHY IT HAS INCREASED ITS RATE OF DISCOUNT.

Its Rate Has Stood at Three Per Cent. for Seven Years—Hign Interest Rates Will Prevail Everywhere—The President's Review of the Situation.

The significance of the advance in the discount rate of the Bank of France from 3 per cent. to 3½ per cent. last Thursday is brought into clear relief when it is recalled that the rate had stood at 3 per cent. for nearly seven years. During this period the Paris market had several times passed through periods of stock market stress which on one or two occasions during the Russo-Japanese war threatened a crisis, yet the rate was not disturbed. Paris had also during this period seen the exchanges move against her and rates at other centres advance to double or more the rate to which the Bank of France adhered. That the bank, after passing through these conditions without an increase in its rate, should now deem it necessary to put up its rate leads almost inevitably to the conclusion that the bank's management regards the present situation as more serious in some respects than anything through which the European markets have passed during the last seven years.

Between October, 1898, and May, 1900, six changes occurred in the French bank rate in what for the Bank of France was rapid succession. This was the period of the Boer war, which disturbed all the money markets of Europe and forced the Bank of France successively to advance its rate from 2 per cent., at which figure it stood from March, 1895, to October, 1898, to 4½ per cent., as high a rate as has been fixed by the bank within twenty-five years. From 2 per cent. the rate was advanced to 3 per cent. in October, 1898, to 3½ per cent. in December, 1899, and in the same month to 4½ per cent. The rate was twice reduced in January, 1900, first to 4 per cent. and then to 3½ per cent., and in the following May the rate was fixed at 3 per cent., where it stood until last Thursday.

One of the potent factors in bringing about the advance in the French bank rate was the continuance of exchange in Paris on London at the gold export point. The Paris check rate on London has ruled around 25f. 32c. for some time past, and in the aggregate a large amount of gold has gone from Paris to London. This fact in itself, however, would hardly have been potent enough to overcome the reluctance of the Bank of France to advance its rate of discount. The view that is generally taken of the bank's action is that its managers felt convinced that the markets of the world will for some time to come be confronted with relatively high interest rates, and that the advance in its own rate was merely a recognition of this fact by the Bank of France.

On Jan. 31 last the Bank of France shareholders held their annual meeting. On that occasion M. Pallain, President of the bank, reviewed the course of the bank during the previous year. His statement to the shareholders indicates clearly the importance which the bank attached to the maintenance of its discount rate at the relatively low level of 3 per cent. He said :

"The European markets were affected by the exceptional demands from all parts of the world, and in particular from the United States. The rate of discount in London rose to 6 per cent. without that rise preventing the drain of gold, and there were reasons to fear that if not attenuated the reverberation might be felt in France and constrain the bank to raise its rate of discount. In that situation the bank had a double duty to perform—to insure to the markets at home and abroad the necessary resources to prevent a rise in the exchanges, the effects of which would have been inevitably felt in France, and to avoid favoring the speculation that would not have failed to result in a great inflation of business and if not averted in time would have ended in a crisis. The banks fulfilled their double task in the measure incumbent on them. Adopting a monetary policy that has been justified by events, the bank by discounting the English bills assisted the London market with the funds necessary to enable it to traverse that difficult conjecture. The bank did not part with its gold heedlessly and without the certainty that it was being sent where its action would be the most efficacious and where it was to the interest of French trade to prevent a possible crisis.

"In the exercise of the liberty conferred on the bank by its statutes to discount foreign bills, it took in that paper for a sum equivalent to the amount of the gold sent to places where temporary assistance was needed for legitimate requirements and with the certitude that it would return. At the same time the paper offered to us for discount with the visible view of obtaining the means of facilitating an exaggerated speculation abroad was refused.

"The constitution of a large cash reserve has been objected to sometimes as immobilizing capital unproductively. If people would only reflect that the bank's reserve by its presence in its vaults procured to several thousand millions of commercial paper circulating in France a rate of discount 3, and sometimes 4, per cent. lower than in neighboring countries, they would be led to the conclusion than an appreciable material profit has accrued to merchants and manufacturers."

Such being the attitude of the management of the Bank of France, its decision last week to advance its discount rate may rightfully be regarded as one of the most important recent events in the international money markets.

SMALL SHIPMENTS.

Cobalt Sent Out Only 84 Tons During Third Week of March.

Cobalt shipments for the week ending March 23rd were the smallest thus far this year, amounting to only 168,770 lbs. The O'Brien contributed two car loads, the Buffalo one car and the Trethewey sent a small experimental consignment of 200 lbs. to the German Canadian Smelting and Refining Company in Toronto.

Week Ending March 23.

	lbs.
O'Brien	128,570
Buffalo	40,000
Trethewey	200
	168,770

The total shipments for the year to date are as follows:

	Year to March 23.
Nipissing	1,529,402
O'Brien	1,067,421
Buffalo	640,400
Trethewey	373,438
La Rose	363,567
Coniagas	345,650
Silver Queen	220,568
Green-Meehan	129,590
Foster	100,350
Cobalt Central	101,877
Kerr Lake	75,000
University	61,385
McKinley-Darragh	60,000
Cobalt Townsite	47,160
Red Rock	40,000
Nova Scotia	30,000
Total .... (lbs.)	5,185,800

The shipments for January and February are as follows:

	Jan.	Feb.
Nipissing	623,701	457,620
O'Brien	419,831	390,110
Buffalo	279,000	120,000
Trethewey	....	178,648
La Rose	123,500	175,067
Coniagas	174,220	108,580
Silver Queen	125,683	94,885
Green-Meehan	61,210	68,380
Foster	43,600	56,750
Kerr Lake	....	75,000
Cobalt Central	....	66,957
University	61,385	....
McKinley-Darragh . .	60,000	....
Cobalt Townsite . ..	47,160	....
Nova Scotia	....	30,000
Total .. .. (lbs.)	2,019,290	1,822,997

The dividend payers are as follows:

Nipissing.
Buffalo.
Trethewey.
Silver Queen.
Foster.
Kerr Lake.
McKinley-Darragh.
Right-of-Way.
La Rose.
O'Brien.
Drummond.
Coniagas. (old company.)

The G.T.R. gross earnings for the second week in March were $783,370, an increase of $77,116 over the corresponding week last year.

Government Bank Return for February

A Comparative Statement of Banks in the Dominion of Canada, February, 1907, and February, 1906. Deposits include those on demand and payable after a fixed date both in Canada and elsewhere. Cash Reserves include Specie, Dominion Notes, Notes and Cheques, Loans and Balances due from other banks. Investments include Government, Municipal and Railway Bonds, Debentures and Stocks.

Liabilities

	—	Capital Paid-up.		Reserve.		Dividend per Annum.		Circulation.		Deposits.		Total Liabilities.		
		1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	
						per cent.	per cent.							
1	Bank of Montreal	14,400,000	14,400,000	11,000,000	10,000,000	10	10	10,120,952	8,905,236	122,778,574	115,971,966	138,651,560	129,464,085	1
2	Bank of New Brunswick	707,200	509,300	1,191,830	840,345	12	12	678,110	483,041	4,164,955	3,718,449	4,994,655	4,448,002	2
3	Quebec Bank	2,500,000	2,500,000	1,150,000	1,050,000	7	7	1,445,539	1,265,241	8,331,858	8,407,238	10,123,479	10,269,400	3
4	Bank of Nova Scotia	3,000,000	2,503,200	5,250,000	4,205,376	12	11	2,863,681	2,300,547	24,991,659	23,245,554	28,741,309	26,455,234	4
5	St. Stephen's Bank	200,000	200,000	47,500	45,000	5	5	195,770	165,755	373,632	395,533	589,958	578,189	5
6	Bank of British North America	4,866,666	4,866,666	2,238,666	2,141,333	7	6	2,872,262	2,662,420	22,767,780	19,482,825	38,302,380	37,642,950	6
7	Bank of Toronto	3,979,490	3,491,410	4,479,490	3,891,410	10	10	2,887,735	2,512,899	24,212,438	22,725,024	27,941,613	25,871,458	7
8	Molsons Bank	3,214,810	3,000,000	3,000,000	3,000,000	10	10	2,529,472	2,370,501	22,733,869	21,211,990	26,412,510	24,609,543	8
9	Eastern Townships Bank	2,945,600	2,738,140	1,860,000	1,600,000	8	8	2,022,165	1,821,080	12,358,645	11,036,741	14,434,186	12,931,584	9
10	Union Bank of Halifax	1,500,000	1,336,150	1,143,752	1,020,000	8	8	1,382,731	1,176,196	7,444,788	6,919,227	9,057,684	8,789,820	10
11	Ontario Bank	....	1,500,000	....	650,000	7	6	198,011	1,209,965	....	11,859,862	4,496,152	13,422,559	11
12	Banque Nationale	1,679,724	1,500,000	600,000	500,000	7	6	1,571,705	1,377,100	8,649,281	7,285,159	10,444,758	8,822,550	12
13	Merchants' Bank of Canada	6,000,000	6,000,000	3,600,000	3,400,000	8	7	4,304,920	4,077,980	35,684,369	32,363,894	43,360,918	39,003,009	13
14	Banque Provinciale du Canada	1,004,212	823,324	150,000	....	3	3	680,793	667,219	3,449,499	2,709,884	5,011,407	4,461,484	14
15	People's Bank of New Brunswick	180,000	180,000	180,000	180,000	8	8	140,772	171,999	450,579	464,464	601,383	645,899	15
16	Union Bank of Canada	3,000,000	3,000,000	1,500,000	1,300,000	7	7	2,628,920	2,631,295	20,663,022	17,808,322	25,300,541	22,380,123	16
17	Canadian Bank of Commerce	10,000,000	10,000,000	5,000,000	4,500,000	8	7	8,218,026	7,249,739	86,457,792	72,436,033	98,984,820	81,453,360	17
18	Royal Bank of Canada	3,900,000	3,000,000	4,390,000	3,400,000	10	9	3,285,506	2,581,016	32,052,845	26,278,632	36,201,126	30,158,235	18
19	Dominion Bank	3,262,673	3,000,000	4,188,940	3,500,000	12	12	2,726,376	2,693,566	35,748,533	32,729,485	40,243,979	35,860,734	19
20	Bank of Hamilton	2,470,210	2,456,170	2,470,210	2,456,170	10	10	2,314,351	2,169,411	22,838,544	20,424,451	26,283,004	23,344,868	20
21	Standard Bank of Canada	1,514,100	1,000,000	1,614,100	1,000,000	12	10	1,192,866	922,606	14,031,060	12,769,314	16,187,630	14,281,518	21
22	Banque de St. Jean	316,296	300,911	10,000	10,000	4	6	211,163	133,733	436,718	302,118	674,648	494,906	22
23	Banque d'Hochelaga	2,213,850	2,000,000	1,600,000	1,450,000	8	7	1,712,399	1,573,990	11,884,706	10,094,880	14,534,056	12,118,438	23
24	Banque de St. Hyacinthe	329,515	329,515	75,000	75,000	6	6	234,550	236,265	958,494	704,232	1,215,915	1,023,670	24
25	Bank of Ottawa	3,000,000	2,911,260	3,000,000	2,911,260	10	10	2,614,095	2,329,515	23,655,730	19,303,349	26,888,927	21,790,489	25
26	Imperial Bank of Canada	4,709,608	3,890,856	4,709,608	3,890,856	10	10	3,246,092	2,865,392	29,775,755	26,038,373	34,146,350	29,780,967	26
27	Western Bank of Canada	555,000	550,000	300,000	250,000	7	7	467,450	449,345	4,568,582	4,162,102	5,058,029	4,699,364	27
28	Traders Bank of Canada	4,337,710	3,000,000	1,900,000	1,100,000	7	7	2,672,710	2,339,615	22,244,953	17,998,568	26,802,493	21,079,611	28
29	Sovereign Bank of Canada	3,999,680	1,622,890	1,255,950	490,722	6	6	2,057,050	1,375,100	16,311,560	10,690,216	21,517,204	13,628,961	29
30	Metropolitan Bank	1,000,000	1,000,000	1,000,000	1,000,000	8	8	854,447	862,347	3,578,526	2,651,441	4,925,465	3,806,869	30
31	Crown Bank of Canada	951,880	738,842	....	....	4	....	485,975	384,195	2,934,565	1,920,390	4,003,574	2,443,856	31
32	Home Bank of Canada	840,340	610,350	175,000	....	6	....	308,955	85,695	4,169,370	3,489,869	4,548,215	3,582,357	32
33	Northern Bank	1,171,527	648,818	50,000	....	....	....	787,730	146,005	3,190,602	504,234	4,729,645	654,930	33
34	Sterling Bank of Canada	687,749	....	....	....	....	....	465,140	....	1,711,215	....	2,176,426	....	34
35	United Empire Bank of Canada	448,812	....	....	....	....	....	114,245	....	293,567	....	697,518	....	35
36	Farmers' Bank of Canada	331,601	....	....	....	....	....	55,095	....	92,818	....	147,913	....	36
		95,218,253	85,607,802	69,130,046	59,857,472	....	....	70,547,759	62,196,009	635,990,883	568,103,819	759,031,430	669,999,067	

Assets

	—	Cash Reserves.		Investments—Bond and Stock.		Call Loans in Canada.		Call Loans Elsewhere.		Commercial Loans.		Total Assets.		
		1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	
1	Bank of Montreal	25,227,370	20,142,694	10,158,322	8,484,847	....	....	29,727,374	33,708,400	97,048,625	89,570,624	165,507,789	155,766,233	1
2	Bank of New Brunswick	882,121	739,983	544,817	542,287	544,310	844,377	700,000	200,000	4,060,072	3,379,917	6,883,658	5,804,151	2
3	Quebec Bank	1,638,846	1,804,347	1,025,161	1,405,023	2,023,786	2,369,313	....	300,000	9,011,408	8,080,638	14,118,982	14,128,258	3
4	Bank of Nova Scotia	7,445,980	6,425,276	4,928,819	5,229,170	3,206,546	3,448,896	3,228,224	2,893,356	17,822,327	14,970,542	37,206,067	33,350,919	4
5	St. Stephen's Bank	144,444	191,911	22,982	20,000	....	....		....	628,878	580,435	849,550	836,957	5
6	Bank of British North America	4,842,051	3,563,070	1,970,781	2,520,026	5,070,472	4,869,042	5,752,402	6,219,733	24,663,021	21,532,576	47,175,262	46,570,641	6
7	Bank of Toronto	4,249,448	3,555,204	2,553,087	3,906,650	1,125,525	2,041,598	550,000	1,325,000	27,697,111	22,428,235	36,801,179	33,761,594	7
8	Molsons Bank	3,711,078	4,239,418	2,753,924	3,248,807	3,209,054	3,885,828	....	....	22,614,990	18,702,250	33,238,028	30,927,327	8
9	Eastern Townships Bank	2,431,727	3,052,683	791,939	584,039	1,550,416	228,217	....	....	14,066,036	12,966,220	19,504,021	17,588,093	9
10	Union Bank of Halifax	1,972,312	2,092,249	1,088,534	1,127,034	219,333	219,285	....	....	9,259,170	7,680,115	12,704,041	11,260,106	10
11	Ontario Bank	70,000	1,468,929	614,254	1,313,454	....	519,607	....	....	2,865,716	12,333,314	5,043,986	15,801,317	11
12	Banque Nationale	1,639,311	1,180,457	....	....	908,238	478,126	....	....	10,089,404	9,059,415	13,043,909	11,123,153	12
13	Merchants' Bank of Canada	5,800,162	5,631,963	6,940,623	7,622,203	2,932,619	4,000,232	4,103,313	2,807,103	31,882,734	27,606,434	53,183,753	48,901,133	13
14	Banque Provinciale du Canada	446,139	429,977	1,456,569	1,412,380	1,398,296	1,175,694	....	....	2,460,655	2,038,294	6,239,329	5,410,602	14
15	People's Bank of New Brunswick	104,220	122,065	69,307	62,224	39,900	....	....	75,000	702,129	726,901	991,048	1,028,786	15
16	Union Bank of Canada	3,645,017	3,639,694	718,255	85,658	884,186	1,162,666	....	2,500,000	23,405,675	18,592,667	30,156,811	27,114,291	16
17	Canadian Bank of Commerce	13,154,515	17,630,497	6,238,621	5,384,782	3,592,501	3,966,363	7,932,388	7,091,751	81,667,005	61,036,687	114,679,505	96,724,527	17
18	Royal Bank of Canada	7,716,150	6,916,498	6,444,390	6,385,351	2,473,004	2,098,591	2,054,795	2,582,677	25,181,181	18,131,507	44,779,904	36,679,759	18
19	Dominion Bank	7,714,958	5,816,979	3,055,386	3,652,325	3,603,013	4,793,575	....	....	33,218,921	27,803,825	48,025,920	42,874,172	19
20	Bank of Hamilton	3,838,756	3,918,026	4,194,805	3,626,694	1,631,106	2,417,789	....	850,000	20,399,620	16,599,033	31,474,188	28,443,172	20
21	Standard Bank of Canada	1,933,418	1,691,936	2,119,765	2,494,283	1,108,050	502,196	....	....	14,090,929	11,669,768	19,516,546	16,553,534	21
22	Banque de St. Jean	133,975	59,906	....	....	....	....	....	....	812,857	710,009	1,015,288	823,787	22
23	Banque d'Hochelaga	2,703,046	2,407,882	1,335,914	1,251,894	678,136	701,142	....	....	13,252,812	10,884,761	18,428,767	15,686,592	23
24	Banque de St. Hyacinthe	235,195	84,502	....	....	....	....	....	....	1,277,482	1,279,685	1,653,821	1,450,938	24
25	Bank of Ottawa	5,251,381	4,890,109	2,762,077	1,977,168	2,305,387	2,419,789	....	500,000	22,297,776	17,555,477	33,343,616	27,996,207	25
26	Imperial Bank of Canada	8,911,598	7,070,988	4,192,408	3,829,729	3,183,421	4,085,101	1,400,000	1,300,000	25,721,194	20,750,698	44,560,926	38,081,781	26
27	Western Bank of Canada	1,488,466	1,455,497	812,457	822,487	....	....	....	....	3,547,700	3,180,090	5,958,463	5,565,502	27
28	Traders Bank of Canada	3,529,836	3,155,792	1,100,001	1,144,008	1,550,829	2,337,915	....	....	25,477,742	18,282,421	33,238,737	25,506,386	28
29	Sovereign Bank of Canada	2,681,688	1,879,659	1,995,936	801,300	4,503,238	2,411,974	....	....	17,234,010	10,241,503	26,934,524	15,817,678	29
30	Metropolitan Bank	772,930	912,396	623,359	681,649	799,659	880,339	....	....	4,786,744	3,331,326	7,145,254	5,976,511	30
31	Crown Bank of Canada	872,396	538,199	612,654	263,271	186,940	351,853	....	....	3,221,122	1,981,348	5,041,705	3,238,885	31
32	Home Bank of Canada	579,797	404,240	252,154	352,280	3,316,742	3,382,256	500,000	....	938,539	193,963	5,728,059	4,418,347	32
33	Northern Bank	981,728	413,438	272,487	48,355	134,669	....	....	....	4,441,159	757,806	5,955,491	1,318,284	33
34	Sterling Bank of Canada	576,902	....	74,469	....	655,596	....	....	....	1,492,759	....	2,971,025	....	34
35	United Empire Bank of Canada	108,545	....	275,000	....	503,595	....	....	....	223,825	....	1,129,635	....	35
36	Farmers' Bank of Canada	165,671	....	19,000	....	54,300	....	....	....	131,844	....	465,118	....	36
		127,033,177	117,526,464	72,018,257	69,919,378	53,342,912	55,591,764	55,948,496	62,353,020	597,293,177	494,638,484	934,693,905	826,529,623	

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Dora Speers, Secretary

THE WALL STREET JOURNAL
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Some of the New York brokerage houses having branches in Montreal state they will likely close the latter on May 1 on account of the special tax of $2,000 a year imposed by the Quebec Legislature. Owing to the recent slump they state they look for little business for some time.

CANADIAN WESTINGHOUSE.

Shareholders of the Canadian Westinghouse Co., Limited, met at Hamilton on Wednesday and re-elected the Board of Directors and officers. The annual report of the company shows for the year ended Dec. 31 net earnings of $346,961, increase $126,416; dividends $179,550, increase, $30,450; balance, $167,411, increase, $95,966; reserve for depreciation, $120,000, leaving a surplus of $47,411, previous surplus, $232,041; balance carried forward Jan. 1, 1907, $279,452.

While this primarily affects the Coal and Steel Companies, it is general law, and will be of great importance in encouraging the development of submarine areas, which are the most valuable of the unworked deposits of the province.

The bill provides that tunnels may be driven through the properties of others to reach the submarine areas, after giving notice. If the parties cannot agree as to the compensation for this privilege the conditions and compensation will be fixed by the Governor-in-Council.

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CANADIAN GENERAL ELECTRIC

ITS RAPID GROWTH HAS OUTSTRIPPED ITS CAPITAL.

Its Financial Situation — The Typical Success of a Typical Canadian Company—How the Foundry Business has Developed — The Prospects of the Company—The Investment Interest Abroad.

The rapidly developing needs of an expanding country create demands upon an industrial organization which aspires to be the leader in its line of production that by the very virtue of its success its capital need is apt to outrun the supply. The Canadian General Electric Company is an example of the rapid expansion of industrial Canada. It is now only fifteen years old, but occupying from the outset a rapidly developing field, it flourished and advanced almost beyond the fondest hopes of its founders. The business of electrical manufacturing has undoubtedly the most inviting prospect of any industrial for the good reason that it is as yet in its infancy and the daily widening uses of electricity afford a wider field of production for a typical producing company, such as the General Electric Company is in the United States and the Canadian General Electric Company in Canada.

Organized as an electrical manufacturing business by the coalescence of rival companies then in their initial stages, the Canadian General Electric, having adjusted its capital burden in 1896 to a satisfactory basis, made tremendous strides for the next four years. By 1900 its utility had become so widespread that the project of becoming an organization with all its producing factors complete within itself became an economic necessity. For that reason the St. Lawrence Foundry Company was acquired in 1900 on reasonable terms so that the various supplies and parts used by the electric company could be furnished at the lowest cost.

The expansion of Canada was then proceeding with such leaps and bounds that the management, with undoubted foresight, formed the idea that the foundry business need not be a mere adjunct but would become a very powerful producing plant in itself. The demand for pipes, wire fencing, iron grill work, offered a profitable market, but the quickly growing market for structural steel and locomotives indicated an avenue of production that should be opened up. Thus there quickly was conceived a large and well-equipped foundry plant on broader lines and greater capabilities than was at first conceived. A new centre of industrial production was established on the outskirts of Toronto, at Davenport, and a magnificent plant created, which is not yet fully complete, but which has grown with such rapid strides that its expansion has outstripped the supply of capital.

For that reason the Canadian General Electric Company has had recourse to the Old Country investor to maintain the increasing demands for capital. Its financial statement, which was presented at the annual meeting of the company on Wednesday, shows net earnings on the year's operations of $853,675, or after the payment of the six per cent. on the $300,000 preferred, the equivalent to 17.77 per cent. on the common stock of $4,700,000. The current overdraft with the Bank of Commerce now stands at $1,112,983, a decrease from the previous year of $290,514. The accounts payable are $1,241,334; the accounts receivable, $1,780,608, a margin of $539,274 on the credit side.

An examination of the operating account offers the following comparisons:

	1906	1905	1904
Net profits	$853,675	$608,206	$582,519
Per cent. on common	17.77	13.69	21.15
Dividends	484,690	335,499	284,890
Amounts written off	219,553	137,870	113,612
Balance	69,034	90,762	80,769

The purchase by the Canadian General Electric Company in 1900 of the St. Lawrence Foundry Company was financed by a temporary loan of $297,020 from the Bank of Commerce.

The Canada Foundry Company, as it became, grew much faster than the supply of capital and the indebtedness to the Bank of Commerce increased to $767,182 in 1903; $1,305,161 in 1904; $1,403,497 in 1905. The foundry company operated under all the difficulties incidental to the creation of a new business built up quickly from a small nucleus of plant. Strikes and labor disaffection did not help the infant years. It was not until 1903 that the new works at Davenport commenced operations, and not until 1905 that all departments were completed. The business has grown so rapidly that further large additions became necessary and a new building at Davenport for the iron pipe business is now being finished.

The Canadian General Electric Company is to-day one of the most complete and self-contained industrial entities in America. It has, perhaps, anticipated too soon all the great prospects that open out before the electrical manufacturing business, as suggested by the incoming of the electric locomotive. While in the United States the General Electric Company has been buying into the stock of the American Locomotive Company so as to possess a voice, and control a participation in this industrial development of the near future, its sister Canadian company has all these forces within itself.

The Canadian General Electric Company has maintained in the face of large necessities for increased capital its dividend on a basis of ten per cent. How far it might have been better to have financed itself by a different adjustment of its capital such as bond issues and new preferred stock may be open to discussion. How far it should continue to pay so large a dividend may also be a matter of consideration. The directors believe, however, that in the next few years, having overcome the troubles attendant upon the creation and consummation of a new plant of very large dimensions, the profitable productive period will be fraught with such returns that the floating debt can easily be provided for.

The stock has been narrowed in the past largely to the Toronto market. Now it is an investment security in London and Amsterdam, and every week its shares on the local exchange are being picked up for transport abroad.

The financial situation of the company can best be ascertained from the balance sheet for the three years past as follows:

ASSETS.

	1906	1905	1904
Permanent Investments—			
Patents and contracts	$ 286,292	$ 263,067	$ 250,000
Factory plants, including Peterboro and Montreal real estate and buildings, Nassau hydro-electric power plant, Canada Foundry Company real estate and buildings, Ornamental Iron Works real estate and buildings	3,198,026	2,668,558	3,157,413
Patterns and drawings	125,000	125,000	100,000
Machinery and Tools—			
Canadian General Electric Co.	361,424	365,056	375,838
Canada Foundry Company	875,575	649,652	....
Cash and Current Assets—			
Cash	19,796	8,544	7,162
Accounts receivable	1,780,608	1,447,556	1,010,351
Notes receivable	78,839	107,388	76,724
Brantford Street Railway Co. bonds	125,000	125.000	125,000
Other companies' bonds	11,000	11,000	....
Merchandise inventory	2,684,323	2,239,481	1,685,097
Expenditure on contracts, net	45,639	220,834	92,968
Insurance unexpired	10,834	10,444	16,776
Total	$9,593,361	$8,241,582	

LIABILITIES.

	1906	1905	1904
Capital stock, common	$4,700,000	$3,579,705	$2,688,900
Capital stock, preferred	300,000	300,000	300,000
Accounts and bills payable	1,241,334	1,010,283	918,471
Canadian Bank of Commerce, current	1,112,983	1,403,497	1,305,161
Canadian Bank of Commerce, special (Nassau power plant)	83,289	86,965	90,466
Northey Co., mortgage bonds	160,000	160,000	160,000
Mortgages payable	26,400	30,050	32,650
Reserve fund	1,800,320	1,480,320	1,239,770
Contingent fund	100,000	100,000	100,000
Profit and loss account	69,034	90,762	81,913
	$9,593,361	$8,241,583	$6,897,332

The dividends have been paid on the common stock of the company since 1893, except in 1896, when no dividend was paid, owing to the revision of the contract with the General Electric Company, under which they surrendered a portion of the common stock at that time held by them in exchange for a lesser quantity of preferred stock:

	Per cent.	
1893	6	$85,641.41
1894	6	87,768.53
1895	6	87,982.29
1897	6	71,330.57
1898	8	81,000.00
1899	10	108,000.00
1900	10	127,623.07
1901	10	166,750.00
1902	10	213,739.22
1903	10	269,277.98
1904	10	284,890.00
1905	10	335,499.11
1906	10	484,690.14
Total		$2,404,192.32

SURPLUS.

Surplus at 31st Dec., 1906 $1,969,354.39

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Manager.

HAVANA ELECTRIC.

The Preferred Dividends Paid Were Not All Earned—A Poor Showing for 1906.

The Havana Electric Company suffered a serious impairment in earnings during the year 1906, owing to the revolution, a strike among the motormen and conductors, difficulties in regard to the coal supply, and the increased cost of labor and materials. The increase in gross earnings was 7.74 per cent., but the increase in expenses was 32.90, so that the surplus for the year was equivalent to only 2.65 per cent. on the preferred stock of $5,000,000. As dividends at the rate of four per cent. were paid on this stock, there was a deficit on the year of $67,614.

Below is given the increases, or decreases, in the various items of the income account as compared with those of 1905:

		Amount	P.C.
Gross earnings	Inc.	$116,372	7.74
Expenses and taxes	Inc.	255,321	32.90
Net earnings	Dec.	138,949	19.08
Other income	Inc.	2,830	7.44
Total income	Dec.	136,119	17.75
Charges	Inc.	102,416	25.93
Surplus before dividends	Dec.	238,535	64.33

The gross earnings and net income of the company for each of the last four years and the amount and percentage earned on the $5,000,000 preferred stock follows:

	Gross Earnings	Net Income	Earned on Amount	Pfd. Stk. P.C.
1906	$1,621,209	$630,699	$132,386	2.65
1905	1,504,837	766,818	370,921	7.42
1904	1,247,486	545,878	137,608	2.75
1903	1,061,729	442,676	30,235	.61

The preferred stock is 6 per cent. non-cumulative and accordingly an amount more than necessary was earned during 1905 to meet the dividend. After allowing for the full preferred dividend in that year there remained an amount equal to .94 per cent. on the $7,500,000 common stock.

The comparison of the principal features of the statement between 1906 and 1905 follows:

	—1906—		—1905—	
	Amount	P.C. of Gross	Amount	P.C. of Gross
Gross earnings	$1,621 209	....	$1,504,837	....
Expenses and taxes	1,031,373	63.62	776,052	51,57
Net earnings	589,837	36.38	728,785	48.43
Total income	630,699	38.91	766,818	50.98
Charges	498,313	30.70	395,897	26.32
Surplus before dividends	132,386	8.16	370,921	24.66

These figures lead to the conclusion that unless conditions during the current year improve materially it would seem that there is no hope whatever of the preferred dividend being increased to the full rate of 6 per cent., to which the stock is entitled, and there is even a possibility that the dividend rate may be reduced. The prospects for dividends on the common stock in the immediate future do not appear at all bright.

Canadian Stocks

Quotations of Securities listed on the Montreal and Toronto Stock Exchanges, with prices at closing on Friday of each week. In stocks listed on both Exchanges, prices quoted are those of the market in which a stock is the more active.

Active Stocks

Range for year 1905		Range for year 1906				Friday, March 29		STOCK	Par Value	Outstanding Common Stock	Outstanding Preferred Stock	Bonds	Reserve	Last Dividend		Range for week ending Mar. 28, in market of activity				Closing one year ago, March 29		Sales week ending March 28
High	Low.	High	Date	Low	Date	Ask	Bid							Date	Per cent.	First	High	Low	Last	Ask	Bid	
								BANKS														
170½	155½	190½	Oct.	169½	Jan.	175		Commerce	50	10,000,000			5,000,000	1st Dec, s.-a. and bonus	3½ 1	175	175	172½	175		178½	101
270	248	283	Jan.	262½	*Dec.		238	Dominion	50	3,000,000			3,900,000	1st Jan. q.	3	°238	238	237	238			231
219	213	233	May	210	Dec.	210		Hamilton	100	2,470,210			2,470,210	1st Mar. q.	2½	206	206	205	205	229		122
242	226	254½	May	225	Dec.		219½	Imperial	100	4,926,000			4,674,991	1st Feb. q.	2½	220	°222	219½	220		246½	277
172½	160	176	Oct.	160½	Jan.	166		Merchants	100	6,000,000			3,600,000	1st Dec. q.	2	165	166	165	165	168	167	29
		202⅛	Mar.	192	Dec.			Metropolitan	100	1,000,000			1,000,000	1st Jan. q.	2					201¾	201	
230	220	230	Mar.	204½	†Dec.	205	200	Molsons	100	3,180,820			3,000,000	1st Jan. q.	2½	°206	206	203	205	229	226½	31
261	250	261	Feb.	252¼	Sept.	248	246	Montreal	100	14,400,000			11,000,000	1st Mar. q.	2½	°249¾	249¾	247	247	257	256¾	199
285	261¼	297½	Nov.	273	July.			Nova Scotia	100	3,000,000			5,250,000	1st Jan. q.	3					278	270	
230	215	233	May	222	Dec.	222		Ottawa	100	3,000,000			3,000,000	1st Mar. s.	5	°220	220	220	220	230	228	3
143	127½	145	June	139½	Jan.	136		Quebec	100	2,500,000			1,150,000	1st Mar. q.	1¾					145	141	
229	209¼	247½	Nov.	222	Mar.	237		Royal	100	3,900,000			4,390,000	1st Jan. q.	2½	°235¼	235½	235	235		223	12
132½	131½	155¼	Mar.	133	Dec.	125		Sovereign	100	3,986,680			1,255,950	16th Feb. q.	1½	124½	124½	124	124	153	150	125
238	218	250¼	June	223	†April	220		Standard	50	1,505,675			1,605,675	1st Mar. q.	3					234		
246	226	251	Feb.	222	Dec.	224		Toronto	100	3,975,190			4,475,190	1st Mar. s.	5	°224	224	220	220		243½	35
146	133	155	Mar.	138½	*Dec.		138	Traders	100	4,332,406			1,900,000	1st Jan. q.	1¾	°137½	137½	137¼	137½	151	150	42
147¼	139¾	158	Oct.	143¼	Jan.			Union	100	3,000,000			1,500,000	1st Dec. s.	4	149	149	149	149	150	149¼	6
								TRANSPORTATION														
177	131	201	Dec.	155¾	May	167¾	167	Canadian Pacific Railway	100	121,680,000	37,853,333	89,200,459		1st Oct. s.	3½	°165	170	156½	166⅝	172¼	171¾	1,754
96½	75½	102	Feb.	79¼	Dec.	69½	69	Detroit United	100	12,500,000		20,387,000	1,431,155	1st Feb. q.	1¼	70¾	71	68	69	100	99¼	5,552
41⅞	10⅞	21	Aug.	16¾	July			Duluth	100	12,000,000	10,000,000											
110¼	100	108	Jan.	100	Oct.		96	Halifax Electric	100	1,350,000		00,000	195,000	1st Jan. q.	1½	97	98	94	96	104	101	135
38	14	50	Aug.	35	Mar.			Havana Electric	100	7,500,000		8,[illegible]1,036								38	36	
97⅞	79	97⅞	May.	79	Jan.			Havana Electric, preferred	100		5,000,000			15th Jan. q.	1							
		101½	Feb.	88½	*Dec.	88	86¾	Illinois Traction, preferred	100	5,810,000	2,240,000	11,241,500		1st Jan. q.	1½	89½	89½	85	87	98¾	98	560
145	189½							Minn., St. P. and Sault Ste. Marie	100	14,000,000	7,000,000	44,295,000		15th Oct. s.	2	102	103	100	103	161	159	280
240½	212	284	Aug.	211	†Dec.	214	213½	Montreal Street	50	7,000,000		9,609,367	907,623	1st Feb. q.	2½	215	215	202	213½	275¾	275½	641
83	57½	110¼	Nov.	80½	Jan.	95		Northern Navigation	100	840,000			71,184	19th Jan. a.	6+1½	89	89	89	89			10
		33¼	Feb.	27	*Dec.			Northern Ohio Traction	100	6,900,000		6,375,000		15th Mar. q.	¾	27⅛	27⅛	27⅛	27⅛			50
76½	61½	88¼	Oct.	69¾	Jan.	75	70	Richelieu and Ontario	100	3,132,000		222,406	254,660	1st Mar. q.	1¼		73	70	70	84½	83	343
		48	Nov.	38½	Oct.	42¼	41	Rio de Janeiro	100	21,993,900		20,900,000				43⅜	43⅜	38⅛	42			3,065
142¾	106½	146	Feb.	125	Oct.		122	Sao Paulo	100	7,500,000		5,500,000		1st Jan. q.	2	*125	125	117½	123	142½	142	1,530
35½	21	36¼	Jan.	25	Dec.	24¾	24¼	Toledo Railway	100	12,000,000		10,854,000		2nd Nov. s.	1	26	26½	23¾	24⅝	34½	34¼	1,825
112½	103	126	Mar	112	*Dec.	106	105½	Toronto Railway	100	8,000,000		3,613,000	1,918,322	1st Jan. q.	1¼	106	106	105½	105¼	125	124	1,000
		95	Nov.	88½	*Dec.			Tri-City. preferred	100	9,000,000	2,600,000		6,464,000	1st Nov. q.	1¼	88½			88⅝			115
95¾	78	92	Mar.	80	Dec.			Trinidad Electric	100	1,164,000			720,000	10th Jan. q.	1¼					90		
122½	104¾	122¼	Jan.	102½	Dec.	93½	92¾	Twin City	100	18,000,000	3,000,000	15,566,000	1,010,205	15th Feb. q.	1¼	94½	94½	89¾		117½	116¾	3,025
192½	114½	190	Mar.	160	Oct.			Winnipeg Electric	100	4,000,000		3,500,000	686,934	1st Jan. q.	2	178	178	178	178	187		310
130	100	148	Dec.	120	Jan.	125		St. Lawrence & Chicago Steam Nav.Co.	100	563,300		115,996		1st Jan. s.	10							
								TELEGRAPH, LIGHT AND POWER														
162	149	158¾	Feb.	145	*Dec.			Bell Telephone	100	9,980,800		2,325,000	3,382,879	15th Jan. q.	2	171	°135	130	130½	158	154	94
214	206	209	Mar.	200	*Oct.		*198	Consumers Gas	50	2,500,000			973,155	1st Feb. q.	2½	200	201	200	201			211
60	37	77⅛	June	57⅛	Jan.	67	66¼	Mackay, common	100	41,380,400				1st Jan. q.	1	67¾	67¾	65	67	61	60⅞	2,134
76½	71¼	76⅛	June	68	Dec.		66¾	Mackay, preferred	100		50,000,000			1st Jan. q.	1	67½	67½	66	67		72¾	523
93	77¾	99½	Nov.	86	May	86¾	86¼	Montreal Power	100	17,000,000		846,000		15th Feb. q.	1¼	85½	87	82	86¾	95	94½	3,625
70	66½	70	Jan.	47½	Oct.		45⅝	Mexican Light and Power Co.	100	13,600,000		12,000,000				47½	48	46	46½	65	64¾	1,121
162½	145½	171	Nov.	152	July			Toronto Electric Light	100	2,997,900		1,000,000	500,000	1st Jan. q.	2	145	145	142	142	160	159	50
								INDUSTRIALS AND MISCELLANEOUS														
178	136⅞	155	Jan.	130	Oct.	127	125¼	Canadian General Electric	100	4,700,000	300,000		1,671,082	31st Dec. q.	2½	126½	127	124	126	149½	147	400
28¾	16¾	34¼	April	20½	Nov.	18½	18⅜	Dominion Steel, common	100	20,000,000		10,044,833				19¾	19¾	17	18	32¼	32	4,588
75¾	60¼	83½	May	60	Nov.			Dominion Steel, preferred	100	5,000,000						50	50½	48¾	50	82	81	616
86½	59⅞	84½	Feb.	58	Nov.	62	60	Dominion Coal	100	15,000,000						60	61	59	61	80	78	425
119	114	122	Mar.	112	Nov.			Dominion Coal, preferred	100	3,000,000		5,691,198		1st Feb. s.	3½					122¼	120	
104½	80	109¾	Mar.	95¼	Nov.	93	90	Dominion Textile, preferred	100	7,500,000	1,940,000		b 6,966,660	15th Jan. q.	1¾					109½	108	
118	88	100	Sept.	89	Jan.	76	75	Lake of Woods Milling	100	2,000,000				3rd Oct. s.	3	80	80	75	°77			608
122	110	115	Sept.	108	Dec.			Lake of Woods Milling, preferred	100		1,500,000			28th Feb. q.	1¾					113	112	
110	60	114	Jan.	97	Oct.			Montreal Steel	100	700,000				8th Jan. bal.	4½					109½		
119	99	115	Feb.	106	Nov.			Montreal Steel, preferred	100		800,000			8th Jan. q.	1¾							
9½	51¼	74¼	Feb.	60	May	70½	69	Nova Scotia Steel, common	100	5,000,000			b 3,838,000			72	72½	*69	*69	65	63½	1,145
122	109¾	125	Aug.	118	*Jan.			Nova Scotia Steel, preferred	100		1,030,000			15th Jan. q.	2					120	118	
						119		Ogilvie Flour	100	1,250,000		1,000,000		Sept. a.	7						250	
6140	124½	130	Jan.	123	Dec.			Ogilvie Flour, preferred	100		2,000,000			1st Mar. q.	1¾					130	126	
								a Nipissing Mines Co.	5	6,000,000				20th Jan. q.	3x2	12	12	11	*12			1,190

*Ex-div. †Ex-allotment a—Quotations per $5 share. ° Less than ten shares.

Inactive Stocks

Latest price		STOCK	Par Value	Common Stock Outstanding	Bonds or Preferred Stock Outstanding	Reserve	Last Dividend		Range for year 1906		Last Sale
Ask	Bid						Date	Per cent.	High	Low	
		BANKS									
		British North America	243	4,866,666		2,141,333	5th Oct. s.	3	146⅛	141	150½
		Eastern Townships	100	2,945,400		1,860,010	1st Jan. q.	2	163¼	160	160
		Hochelaga	100	2,000,000		1,600,000	1st Mch q.	2	163	†144	149
131		Nationale	30	1,653,525		600,000	1st Mch q.	1¾	124	121	120
	275	New Brunswick	100	707,200		1,191,830	1st Jan. q.	3			272
		LOAN AND TRUST									
	122	Agricultural Loan	50	630,200		283,000	2nd Jan. s.	3			
125		Canada Landed	100	1,004,000		505,000	2nd Jan. s.	3 plus 1	125	117½	124
124	123½	Canada Permanent	10	6,000,000		2,450,000	1st Jan. s.	3	131	124	123¾
	160	Central Canada	100	1,500,000		1,050,000	1st Jan. q.	2	172	160	165
		Col. Investment, preferred	10	2,398,701		119,808	1st Jan. s.	3	89	75	75
	71	Dominion Savings	50	934,597		90,000	31st Dec. s.	2	73	70	71
	123	Hamilton Provident	100	1,100,000		490,000	2nd Jan. s.	3	124	120	122
	181	Huron and Erie	50	1,900,000		1,525,000	2nd Jan. s.	4½	188½	183	186
		Imperial Loan	100	735,481		78,720	2nd Jan. s.	2½	70	70	70
	124	Landed Banking	100	700,000		310,000	2nd Jan. s.	3	125	121	122
108		London and Canadian Loan	50	1,000,000		245,000	2nd Jan. s.	3	111¼	105	107½
118		London Loan and Savings	50	686,891		134,000	1st Jan. s.	3			
		Montreal Loan	25	500,000		400,000	15th Sep. s.	3½	138	*133¼	136
		North of Scotland	£10	£50,000		£35,000	5 s. plus	2½			
	158½	National Trust	100	1,000,000		450,000	2nd Jan.	1¾	157	155	157
	134	Ontario Loan and Debenture	50	1,200,000		685,000	2nd Jan. s.	3¼	140	128¼	134
		Real Estate Loan	40	373,720		65,000	2nd Jan. s.	2½ plus ½	90	85	89½
		Toronto General Trusts	100	1,000,000		375,000	2nd Jan. s.	3¾	160	140	*150
	110	Toronto Mortgage Co	50	724,550		365,000	2nd Jan. s.	3	115½	105½	110
		Toronto Savings	100	1,000,000		580,000	1st Jan. q.	1½			

Latest price		STOCK	Par Value	Common Stock Outstanding	Bonds or Preferred Stock Outstanding	Reserve	Last Dividend		Range for year 1906		Last Sale
Ask	Bid						Date	Per cent.	High	Low	
		OTHER COMPANIES									
		British America Assurance	25	848,226		191,787	3 % passed		98	97	97
		British Columbia Packers, pfd	100	1,511,400	1,270,000		3½ for 6 mos. May. 20, '05		80½	59¾	80
53	49	Canada Col. Cotton	100	2,700,000	b 2,000,000		15 Mch	1	60	45	55
		Canada Life Assurance	400	1,000,000			1st Oct.	4	163	163	155
		Canadian Converters, Limited	100				Feb. q.	1	60	60	58
		Canadian Salt	100	500,000			1st Jan. q.	2	110¼	*108	108
		Canada North-West Land	12½	733,841			a		500	400	435
37		City Dairy	100	565,000		7,500	31st Dec. q.		38	21½	35
90		City Dairy, preferred	100	271,620			2nd Jan.	1¾	94¼	*82½	90
		Confederation Life Association	100	100,000			1st Jan. s.	7½	285	272½	285
	*118½	Dominion Telegraph	50	1,000,000			15th Jan. q.	1¼	121	*119	120
		Hamilton Electric Power, pfd	100	1,700,000	2,895,700		15th Jan. s.	2½			
		Imperial Life Assurance	100	450,000			1st Jan. q.	1¾	149	149	150
		Intercolonial Coal	100	500,000	b 242.500	90,474	Sept. s.	3½	90	84	85
		Intercolonial Coal, preferred	100		219,700		Sept. s.	3			100¼
		Laurentide Paper	100	1,600,000			1st Feb. s.	3	107½	89½	90
105	99	Laurentide Paper, preferred	100		1,200,000		1st Jan. q.	1	114¾	100½	102
		London Electric	100	404,610		75,000	1st Dec. s.	3	95	89¾	89¾
		London Street	40	500,000	b 550,000		31st Dec. s.	3½	97¼	97¼	97¼
122	119	Montreal Cotton	100	3,000,000	b 350,000		15th Mch q.	1¾	135	122	122
		Montreal Telegraph	40	2,000,000			15th Jan. q.	2	171	162	161
		Niagara Navigation	100	701,300	b 111,000	98,000	2nd Jan. s.	4	133½	117	120
	75	Niagara, St. Cath. and Toronto	100	925,000					80	75	80
		Ottawa Electric Railway	100	998,200		199,564	2nd Jan. q.	2			
		Western Assurance	20	1,500,000		419,836	passed		98	96	96
		Windsor Hotel	100	600,000	b 1,100,000		Dec. s.	4 plus 1	*105	100	107½

NOTE.--s.—semi-annual; q.—quarterly; plus indicates bonus; b. means bonds.

°—Less than ten shares a—$12.50 per share return of capital payable March 15, 1907.

THE FINANCIAL CALENDAR.

Week ending April 6.

Annual Meetings.

April 1—Nipissing Mines Co.

Dividends Payable.

April 1—Metropolitan Bank, 2q.
Traders Bank, 1¾q.
La Banque Provinciale, 1¼q.
Illinois Traction, pref., 1½q.
Toronto Railway Co., 1½q.
Halifax Electric Tram, 1½q.
Twin City, 1¾q.
Tri.City, pref., 1½q.
Canadian General Electric, 2½q.
Can. Consol. Rubber, pref., 1¾q.
Carter Crume Co., pref.,1¾q.
Canadian Westinghouse, 1½q.
Laurentide Paper Co., pref,, 1¾q.
Mackay, com., 1q.
Mackay, pref., 1q.
National Trust Co., 1¾q.
Toronto Electric Light Co., 2q.
Wm. A. Rogers, com., 2q.
Wm. A. Rogers, pref., 1¾q.
Canadian Salt, 2q.
April 2—Crown Bank, 1q.
Dominion Bank, 3q.
Eastern Townships Bank, 2q.
Molsons Bank, 2½q.
Bank of New Brunswick, 3q.
Nova Scotia, 3q.
Royal, 2½q.
C.P.R., pref., 2sa.
C.P.R., com., 3X½sa.
Sao Paulo, 2q.
Winnipeg Electric, 2q.
Dominion Coal, com., 1q.
Central Canada, 2q.
Toronto Savings, 1½q.
Imperial Life Ins. Co., 1½q.
Ottawa Electric, 2q.
Western Bank, 3½sa.
April 5—Bank of B.N.A., 3X1 sa.

BOND NOTES.

The City of Hamilton are asking permission to issue debentures for $62,000, made up as follows: Water works, mains, $28,000; services, $16,000; meters, $500; valves, $1,000; sand dredge, $12,000.

Town of Maisonneuve have received government sanction authoring them to submit a by-law for the town to borrow $400,000.

The Town of Thorold is receiving tenders till April 1st for the purchase of $80,000 of waterworks debentures.

The Town of Oakville have carried a by-law to raise $15,000 for the erection of a high school.

THE BOND MARKET

THE WEEK ENDING MARCH 29th.

BONDS	Rate	Closing		Sales Week Mar. 28
		Asked	Bid	$
Bell Telephone Co.	5			
Can. Colored Cotton Mills Co.	6			
Commercial Cable Co.	4			
Dominion Coal Co.	5			
Dominion Cotton Mills Co.	6	97	95	
Dominion Iron & Steel Co.	5	77	75	16,000
Dominion Textile Co., Series A.	6	90	87	500
Do. Do. Series B.	6		87	
Do. Do. Series C.	6	89	85	12,000
Do. Do. Series D.	6			
Electrical Development Co.	5			
Halifax Electric Tramway Co.	5		100	
Havana Electric Railway Co.	5	87		
Intercolonial Coal Co.	5			
Lake of the Woods Milling Co.	6			
Laurentide Paper Co.	6			2,000
Magdalen Islands	6			
Mexican Electric Light Co.	5	78		5,000
Mexican Light & Power Co.	5	80	79	18,000
Montreal Light, Heat & Power Co.	4½	100	96	
Montreal Street Railway Co.	4½			
Nova Scotia Steel & Coal Co. 1st Mtg.	6			
Do. Do. Cons. Mtg.	6			
Ogilvie Flour Mills Co.	6			
Price Bros. Co.	6			5,000
Rio de Janeiro Tramway, L. & P. Co.	5	74¼		106,800
St. John Railway	5			6,000
Sao Paulo Tramway L. & P. Co.	5		94	11,500
Winnipeg Elect. Street R'y. Co.	5			5,000
Montreal City, Stock	7			
Do. Stock	4			

As the Post is published one day in advance on account of the Good Friday holiday, the bank clearings for the week ending March 28 are not all complete at the time of going to press. The following reports have been received by the Post on Thursday:

	1907	1906
Montreal	$28,508,559	$25,296,910
Quebec	1,654,445	1,247,350
Halifax	1,457,577	1,147,994
St. John	1,095,490	875,930
Victoria	855,294	928,778

CURB QUOTATIONS.

Week Ending March 29th, 1907.

NAME	Stock Issued.	Acreage.	High	Low	Closing bid	Sales Week Ending Mar. 28th
Abitibi & Cobalt Mining Co.			.26	.25	.25	600
Beaver Silver Cobalt Mining Co.	500,000	20	.70½	.70½	.65	300
Buffalo Mines Co.	900,000	40				
Cobalt Silver Queen	1,500,000	58	1.95	1.77	1.75	1,550
Cleveland Cobalt Silver Mines	1,000,000	114	.90	.88		300
Coniagas	4,000,000	40	4.40	4.23	4.30	600
Empress Cobalt	500,000	40				
Foster Cobalt Mining Co.	1,000,000	40	1.93	1.70	1.70	10,199
Green-Meehan Mining Co.	1,500,000	40	.90	.79	.87	15,400
Kerr Lake Mining Co.	3,000,000	52				
McKinley-Darragh-Savage Mines	2,000,000	120				
Peterson Lake	2,500,000	225	.62	.58		3,920
Red Rock Silver Mining Co.	1,000,000	30				
Rothschild Cobalt Co.	500,000	40				
Silver Bar Mining Co.	500,000	25				
Silver Leaf Mining Co.	5,000,000	40	.17	.15	.15	9,000
Stanley Smelters	500,000				.99	
Temiscaming Mining Co.	2,500,000	210				
Trethewey	1,000,000	40	1.40	1.25	1.29	11,060
University Mines	1,000,000	56				

UNLISTED SECURITIES.

NAME	Stock Issued	Bonds and Pref. Stocks	High	Low	Closing bid	Sales Week Ending Mar. 28th
Brit. Col. Packers' Ass'n. Com.	1,511,400	$1,270,000				
Canadian Gold Fields						
Consolidated Mining & Smelting	4,698,886					
Consolidated Rubber Bonds	2,141,300	822,200 2,600,000b	90½	90	89½	
Canada Cycle & Motor Co.	800,000					
Dominion Iron & Steel, 2nd Mtg.	20,000,000	2,178,000			84	
Dominion Park Bonds	400,000	250,000				
Havana Central Bonds	6,250,000	6,250,000				
Illinois Traction Com.	5,810,000	3,214,300				
Mexico Tramways	6,000,000					
Quebec Railway, L. & P. Co.	2,500,000	2,500,000b				
Rogers, Wm. A., Com.	750,000	900,999				
Rogers, Wm. A., Pref.	900,000					
Shawinigan L. & P.	6,500,000	4,000,000b				
Tri-City Railway & Light Co.	9,000,000	2,600,000				
Union Bank of Halifax						
Western Bank of Canada	555,000					
Yukon Loan & Trust Co., Com.					115	

b Bonds